PROGRAM - OBJECTIVES/ASSUMPTIONS/POLICIES

Objectives, Assumptions and Policies

A. OBJECTIVES

The basic U. S. objectives in the oil producing country of Saudi Arabia are (1) to continue the progress in social and economic developments that have been started in the past decade through American aid from both private and government sources; (2) to build up the confidence of the Saudi Arabian Government in our intention to uphold their sovereignty, strengthen their economy and help their people; (3) to demonstrate to Saudi Arabia and other Arab states our policy of helping all the people of the Near East to help themselves through our technical assistance; (4) to demonstrate U. S. democratic ideology in the administration and operation of this cooperative program; (5) to lay a firm foundation, through cooperation on this non-political program of technical assistance, for closer ties with Saudi Arabia in broader economic and political matters.

B. ASSUMPTIONS

The cooperative program with Saudi Arabia is based on the assumption that: (1) the Government of Saudi Arabia understands the need for and strongly desires a rapid expansion in production, and improvement in the welfare of its people, but has insufficient trained personnel to undertake an expanded program of development; (2) the Government of Saudi Arabia realizes it has insufficient trained personnel to undertake an expanding program of development of its governmental services and necessary expanded program of economic development; (3) the Saudi Arabian Government has indicated a desire to cooperate with the United States Government in a technical assistance program as evidenced by the signing of the General Agreement on January 17, 1952. The combination of United States technical skills and Saudi Arabian oil revenues should be adequate to develop and continue the contemplated programs.

C. POLICIES

It is expected that maximum use is to be made of oil revenues and other resources available to the Saudi Arabian Government for the implementation of desirable social and economic programs. Major efforts are to be concentrated in the fields of agricultural development, public health and sanitation; elementary and vocational education; natural resources; transportation and communication and Public Administration and Government Services. Technical Cooperation Administration activities shall be coordinated with those of the United Nations and other agencies to obtain maximum utilization of technical assistance.

D. PROGRAM

D. PROGRAM PLANS AND ATTAINMENTS THROUGH JUNE 30, 1952

The initial program contemplates projects in agriculture, with particular emphasis on production of more and better food through improvement of animal husbandry, irrigation of the arid areas and the building of farm-to-market roads to distribute the produce grown; projects in natural resources to find water for the people and their farms and to discover mineral deposits; projects in health and sanitation, education, transportation and communications and public administration.

Outstanding accomplishments for the Fiscal Year 1952 in the Saudi Arabian Point 4 Program, in the order of importance at the present stage of development in the economy of this country and the welfare of its people, have been as follows:

Natural Resources: Water--which means life in Saudi Arabia--is being discovered and brought to the surface by the Point 4 Water Resources Field Party. This project was authorized under Point 4 in August, 1951, although the work of the field party began in 1950 under Public Law 402. They are now expanding the present meager water supply by exploring new sources, digging wells and by on-the-job training in more efficient use and conservation of the present water supply.

Public Administration: A project in the field of Public Administration and Government Services was initiated in August, 1951, at the request of the Saudi Arabian Government and has progressed with considerable success. It was designed to develop an efficient fiscal system and establish a workable and less complicated customs and tariff control.

Notable as an accomplishment growing out of this work has been the creation by royal decree of the Saudi Arabian Monetary Agency. An American financial expert recommended by the Chief of the Point 4 Field Party has been invited by the King to be the first governor of this agency. He will take up his new post in July, 1952.

A preliminary but very comprehensive report has been made by a Point 4 customs expert to the Minister of Finance, recommending plans for the customs system. An adequate accounting system will be developed for the entire Government as well as a general revision of the tariff laws. A recent royal decree has repealed certain taxes imposed on pilgrims.

Education: The need for education in all fields of endeavor is urgent in Saudi Arabia. The first Point 4 Project in education is designed to establish a commercial and industrial school in recognition of the Saudi Arabian Government's desire to provide for its students a fundamental business training. This will enable them to enter into the commercial activities of their country and become participants in advancing its economy and living standards.

Transportation

Transportation and Communications: Technical assistance in the fields of transportation and communications is proposed to meet the requirements of farm-to-market roads and a general communications improvement program. It is also contemplated that the Technical Cooperation Administration will contract for, and supervise a railroad survey. The contemplated railroad will enable the Saudi Arabian Government to extend the present system to transcontinental proportions. The extended railroad will have the political effect of finally unifying the country into a single entity; it will also have importance as a means of transporting military materials to the Dhahran Airfield and to the El Kharj military establishment to be set up in the near future. Both of these installations are a part of the United States military assistance program in Saudi Arabia. The railroad will increase the military potential of these vital crossroad areas of the world.

Oil is the strategic material in Saudi Arabia. Many systems of transport, water or land, are needed to fully exploit this natural resource which is one of the world's largest single petroleum reserves. The construction of the railroad is, therefore, desirable as the source of a direction overland route connecting the Red Sea with the Persian Gulf.

E. AGREEMENT NEGOTIATIONS

The general agreement was approved by the Saudi Arabian Government on January 17, 1951. Under the general agreement, the following program agreements are being negotiated:

1. Agriculture
2. Health and Sanitation
3. Natural Resources
4. Education
5. Transportation and Communication
6. Public Administration & Government Services
7. Economic Development - Program Direction
8. Railroad Survey

DIAGRAM

FOREIGN OPERATIONS ADMINISTRATION

SECURITY CLASSIFICATION
CONFIDENTIAL

PAGE 1 OF 6 PAGES

DATE 6-30-54

DATE REC'D.

FROM - Washington

SUBJECT - FOA Policy on Costs Sharing between FOA and Cooperating Nations in Technical Cooperation Programs

REFERENCE -

(Check one before each address)

ACTION	INFO.	ADDRESS AND SERIAL NUMBER
		USFOTO CINC [redacted] A-102
		CINCREP SEOUL FOATO A-103
		CINCUNC TOKYO FOATO A-104

ATTN: MR. HOLMES

USFOTO CINC X A-117

A. Purpose

The purpose of this airgram is to outline FOA policy on cost-sharing between FOA and cooperating nations in Technical Cooperation programs including the European Technical Exchange Program. It supercedes all previous instructions of FOA and its predecessor Agencies insofar as they conflict with it. It is intended to establish certain general policies, principles and standards for world-wide application to FOA programs of this type. As is made clear in the text, variations from these standards may be made to fit particular regional, country and project problems, the only requirement being that such proposed variations be specifically justified and approved. Specific instructions governing application of various points to the different regions will be issued separately and USOM comments or questions on points requiring such clarification or adjustments will be welcomed. With this understanding USOMS should begin at once to apply the policies outlined, insofar as [redacted], to all technical cooperation agreements and projects and to revisions and extensions of existing agreements and projects.

B. Background

1. Technical Cooperation title of forthcoming Mutual Security Program legislation carries over from original Act for International Development following provision under heading; Pre-requisites to Assistance: "Assistance shall be made available . . . only where the President determines that the nation being assisted (a) pays a fair share of the cost of the program . . ." While other titles under which technical exchange and assistance are carried on in Europe and Far East contain no express legislative provision of this sort, legislative history and basic concepts of these programs clearly contemplate that they will be cooperative activities of the US and the foreign government concerned and will therefore be jointly financed.

2. FOA's predecessor agencies all operated on the principle of joint

Action Stapleton

DISTRIBUTION

[redacted]

ORIZING OFFICER	DRAFTED BY	OFFICE	PHONE NO.	DATE
Harold E. Stassen	RLOchins	S/MCS	3125	6/29/54

AND OTHER CLEARANCES	SECURITY CLASSIFICATION	FOA AND OTHER CLEARANCES
Abbott O/NEA (draft)	CONFIDENTIAL	Stambaugh, DD/S (draft)
Asher-VanDyke-O/EUR (draft)		Roseman, S/PUB (draft)
Bailey, O/FE (Draft)	Murphy M/COMT (draft)	Norton, S/FOOD (draft)
O/LA		Gauthier, S/MED (draft)
McGerald, DD/O (draft)		S/LAF

1 (8-53)

(Do not type below this line)

financing. (e.g. TCA Manual Section 127.1, etc). Within general policy of joint financing, past and current cost-sharing practices have varied from region to region, from country to country, and from project to project. Latin American countries have operated on basis of joint contributions to operating funds of services in at least 1-1 ratios and frequently much higher. In some areas, however, degree of country matching of US technician expenditures and contributions to training costs have varied widely from country to country. In the NEA region, relative US and local contributions have been negotiated on ad hoc basis in each program and project agreement. In general, US has paid full cost of technician and training aspects with little or no direct contribution from countries. In Europe and the Far East, practice has been for FOA to pay all dollar costs of technicians and training activities with cooperating government paying all costs which could be met in local currencies including international transportation, per diem of technicians, etc. In addition, counterpart deposits have been required for a considerable proportion of FOA dollar expenditures on technical assistance in Europe and, in some cases, in the Far East.

C. Bases of FOA Policy

1. The question of appropriate cost-sharing on technical cooperation activities can only be resolved in terms of the basic principles and rationale of the technical cooperation program on the one hand and the specific circumstances in a particular country on the other. The primary reason for having a technical cooperation program at all is to assist economic development of friendly nations by increasing the rate of transfer of technology--broadly defined--between the US and the cooperating countries, and the rate at which improved technology is translated into economic development and improved standards of living, beyond what they would be without such a program. FOA contributes to this acceleration in three separable ways: (a) by stimulating general and specific interest in increased activity in this area on the part of the cooperating governments and private agencies and groups in the countries; (b) by making arrangements for technical cooperation activities which could not conveniently be arranged through other channels; and (c) by paying part of the cost of such activities.

2. While technical cooperation for economic development is a long range program, the objective of FOA technical cooperation on any project or field of activity is to work itself out of business, either by improving the situation to a point where there is no further need for special development activities or where the full need is met by action of the public and private agencies in the country itself in cooperation with US voluntary and commercial agencies. Short of this stage, it is possible to conceive of a significant Technical Cooperation program in which FOA activities consist entirely of stimulation of cooperating country efforts, or of stimulation plus arrangements work. In practice, the FOA Technical Exchange program in a number of European countries has already moved onto this basis and this goal is being approached in some fields in some Latin American countries.

3. Thus, any financial contribution by FOA to various technical cooperation activities must be made for some reason beyond the intrinsic merits and desirability of the project as such. The decision to contribute must be made on the basis that an economic development program or project which is clearly desirable in terms of US and cooperating country objectives could not or would not go forward without a US contribution to its cost of the size proposed. The normal reasons that the US contribution is required would be one or more of the following:

a. That because of the general poverty of the country or inadequacy of government revenues, the financial resources required are simply not available to the cooperating country government for the purpose involved;

b. That while cooperating government could provide the necessary financing in local currencies, its international exchange position is such that, given other and more pressing demands on its foreign exchange, it cannot convert these local currencies to foreign exchange in sufficient amounts to cover the costs of the project;

c. That, while cooperating government may be theoretically able to handle the financing and is willing to see the activity go forward, it is not at the time willing to put the required amount into the project or to carry out the project with its own financing in what FOA would regard as a satisfactory manner or at a fast enough rate in terms of the overall objectives of the program. Such a situation may arise because the country government is not sufficiently convinced of the value of carrying on the project in the manner proposed in relation to its cost, or because the project has a higher priority in terms of US objectives than the country government is willing to assign to it.

4. It is clear that the second justification listed above will disappear in any country as soon as it is in a reasonably satisfactory foreign exchange position. Even where it exists, in the absence of any of the other factors listed, it would normally be desirable to collect counterpart deposits for any FOA expenditures. In most cases the third basis of FOA contribution should disappear for a particular project or program after an initial or demonstration phase. In contrast, the first situation, and sometimes the third, may continue indefinitely in some countries. Costs of American technicians, training in the US, and other elements of technical cooperation projects are, in fact, very high in relation to total resources availabilities and governmental budgets in relatively poor and underdeveloped countries, so that, however willing, the governments involved may not be able to carry on an adequate program without some continuing financial assistance. Moreover, it must be recognized that technical assistance to the underdeveloped areas is often concerned with basic problems of health, education and public services which are costly to the country and which may not quickly generate additional financial resources.

D. Principles and Policies

In light of above factors, the following principles and policies will govern

FOA actions in determining appropriate cost-sharing in Technical Cooperation programs:

1. The "fair share" of costs to be paid by any particular country must be determined by the situation in that country and the nature and status of the particular program or project involved in the light of all/some of the factors listed above. Full interest in maximizing country financial participation should not be pursued at expense of reduction in overall program effectiveness.

2. Adequacy country financial participation in light of above factors must be considered at four levels:

a. Contribution to total technical cooperation program in country;

b. Contribution to total technical cooperation programs in each field of activity;

c. Contribution to individual projects; and

d. Contribution to various elements within individual projects, e.g. material, technicians' costs, training costs, etc.

3. General norms to be applied in measuring adequacy country contributions are:

a. In terms of overall program, and insofar as practicable, the program in each major subject matter field, cooperating nations should normally finance at least one-half of total costs including U.S. technician and training costs.

b. Cooperating country should pay some part of cost of each project and each element in each project, to assure direct financial interest in its success. Thus, for example, normally cooperating countries should be asked to pay at least some part of the costs, such as international transportation or local per diems, or other local costs, for participants in FOA training programs, and for U.S. technicians and specialists.

4. Lesser ratios of contribution by any country should be specifically justified and approved in terms of unusual circumstances relating to one or more factors listed in paragraph C.3, above, and be re-examined periodically.

5. Higher ratios of country contributions should be sought whenever possible, particularly in countries with higher relative ability to finance such activities. Except in most unusual circumstances, contribution ratios should increase in all countries year by year as program becomes better established.

6. Question of progression in contributions deserves special emphasis. All cost-sharing should be viewed in time perspective. U.S. share may be higher in initial period of particular program or project with desirable overall ratio being achieved by offsettingly higher country share in later phases. U.S. contribution may also be relatively higher when project involves unusually heavy one-time costs for initiation

of activity. Planning for each program or project should include agreed pattern for phasing out of U.S. financial participation. In any country in which Technical Cooperation programs have been operating for more than two or three years, there should be at least some projects or programs which are entirely supported financially by the cooperating government, with FOA providing only advisory and arrangements services. The number of such projects or programs should increase year by year as the Technical Cooperation program continues in each country. Total program should be reviewed to assure that it will not create maintenance and operation demands in long-term which country cannot meet without continuing special U.S. or other financial assistance.

7. Where projects are of direct and immediate benefit to particular private firms or government-owned commercial enterprises, total direct costs should normally be paid by beneficiaries. Where, in such cases, payment dollar costs is not feasible because of country's exchange position, full counterpart should be collected.

8. Another special factor to be taken into account in determining appropriate cost-sharing would be comparable terms on which similar technical assistance may be available from other sources. Thus FOA requirements in any country should not be substantially more advantageous than those which govern UN technical assistance. (BEGIN CONFIDENTIAL) In another direction, recent development pseudo-technical cooperation efforts by USSR requires close watching in individual countries to assure that U.S. program is not undercut. (END CONFIDENTIAL).

E. Determination of Contributions.

In determining ratios of cost-sharing, the following principles should be taken into account:

1. Contributions both in cash and kind by U.S. and cooperating country should be counted. Contributions in kind should be evaluated on basis of fair market value. Country contributions of capital assets, such as land or buildings, should be counted on their reasonable rental value during the period of use on the cooperative project involved rather than at their full capital value.

2. Contributions from both government and private sources should be included in country contribution.

3. Cooperating country contributions should include only net additional expenditures made on the projects or programs involved. Thus, for example, countries should not be permitted to count normal budgeted expenditures for activities in fields in which cooperative projects are going forward as contributions to such projects, but only such additional expenditures as they make for the specific purpose of carrying out such projects.

4. Where FOA finances commodity imports for re-sale and the local currency counterpart of such imports is used to finance technical cooperation activities, it should not be counted as part of the cooperating country's contribution. In fact, where the dollar

[redacted]

funds for the purchase of the re-sale commodities come from Technical Cooperation funds, they resulting local currencies should be counted as part of the U.S. contribution. On the other hand, counterpart provided by the cooperating government from appropriated funds to match FOA financed imports where there are no sales proceeds and subsequently used for Technical Cooperation projects may be counted as part of the country's contribution.

F. Method of Implementation.

The new procedures for project type assistance shortly to be issued by FOA/W (See USFOTO Circular A-66, April 29, 1954) will provide for a more uniform and more detailed recording of cost-sharing ratios and contributions than have been required in the past. USOM's should review this data in terms of individual projects and programs and the program as a whole in their country and take necessary steps to assure conformity with the policies and principles outlined above. FOA/W in reviewing programs and proposals for technical cooperation activities will similarly have these policy considerations in mind in making its decisions.

[redacted]

CABLE ROOM - SEND TO: USFOTO CIRC A-102

					USFOTO CIRC X A-117
3	ADDIS ABABA	[redacted]	15	PARIS [redacted]	..
[redacted]	ASMARA	6	GUATEMALA CITY	7	PORT AU PRINCE	..
6	ANKARA	3	HABANA	3	QUITO	3	[redacted]
3	ASMARA		[redacted]		[redacted]	3	DAMASCUS
10	ASUNCION		[redacted]		[redacted]	3	GENEVA
10	ATHENS		JIDDA	10	RIO DE JANEIRO	3	ISTANBUL
5	BAGHDAD		KABUL	10	ROME	3	FRANKFURT
[redacted]	BANGKOK		KARACHI	4	SAIGON	3	HAIDI
[redacted]	BEIRUT		KATAMANDU	4	SAN JOSE	4	RANGOON
3	BELGRADE		LA PAZ	3	SAN SALVADOR	3	REYKJAVIK
	[redacted]		LIMA	5	SANTIAGO	3	STOCKHOLM
5	BOGOTA		LISBON		[redacted]	3	TRIESTE
10	BONN		LONDON	6	TAIPEI		
6	BRUSSELS		MADRID	3	TEGUCIGALPA		
8	CAIRO		MANAGUA	10	TEHRAN		
4	CARACAS		MANILA	5	TEL AVIV		
3	CIUDAD TRUJILLO		MEXICO CITY	6	THE HAGUE		
[redacted]	COPENHAGEN		MONROVIA		[redacted]		
	[redacted]		MONTEVIDEO	5	TRIPOLI		
[redacted]	DJAKARTA		NEW DELHI	9	VIENNA		
	[redacted]		OSLO				
			PANAMA CITY				

[redacted]

CONFIDENTIAL

Summary
FY-1954 Budget
Technical Cooperation Administration
Jidda, Saudi Arabia

	FIELD OF ACTIVITY	U.S. Technicians No.	U.S. Technicians Cost	Local Empl. No.	Local Empl. Cost	Transportation Persons	Transportation Effects	Supplies and Equipment	TOTAL
900	Program Direction	13	98737	16	25500	27600	10000	335000	496837

PERSONAL SERVICES (.01)

Prog.No.	Positions - Title	No.	M.Y.	Grade	Salary	Diff.	C.O.L.-Sen.	Total
	PROGRAM DIRECTION							
	Country Director	1	1	Pt.4-2	12000	3000	2800	17800
	Executive Officer	1	1	Pt.4-3	11030	2758	2640	16428
	Program Officer	1	.5	FSS-5	3590	898	1030	5518
	Asst.Program Officer	1	.5	FSS-10	2220	554	600	3374
	Budget & Fisc.Officer	1	1	TCA-3	9130	2282	2400	13812
	Ad.Asst.Procurement	1	1	FSS-11	3900	975	1200	6075
	Clerk Stenographer	3	3	FSS-12	10860	2670	2880	16410
	Clerk Stenographer	4	4	FSS-13	12640	2840	3840	19320
		13	12	-	65370	15967	17390	98737

	TRAVEL (.02)			Trans. Effects (.03)	Rents Etc. (.06)	Contr. Serv. (.07)	Supplies and Equipt. (.08 - .09)		Total
Mid.East	S.A.	U.S.	Total				Proj.	Prog.	TOTAL
3000	2000	22000	27000	10000	210000		125000		
			27000	10000	210000		125000		470737

Including all Housing & Maintenance.

C. Recruitment of Personnel

As of this date the recruitment requirements of personnel are as follows:

Program

Administrative Assistant - Procurement and four being recruited.

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Program Aims & Policies

FROM FRYER LETTER 4/29/53

See letter 5/26/53 to Fryer & Ripley

By now, you will have our cable about the vital importance of taking steps to assure that funds which are to be jointly administered are actually deposited into joint accounts. The several schools of thought have now merged into a determination that, in carrying out program and project agreements, at such deposit stage funds are recorded here as expended. The co-administration of the activities and disbursement of funds is, of course, a basic tool in assuring full participation by the host government and training in the "know how" of managements as well as planning to nationals of the countries.

As in several of the other countries, it is apparent that there are not in Saudi broad comprehensive programs. This is not particularly distrubing, for in many cases projects when well under way tend to group themselves into programs and actually form the basis for program action. It is, nowever, disturbing when the projects are ends unto themselves without contributing on a lasting basis to welfare of the Saudis.

The possibility of securing appropriations beyond the planning figures we are now using is too remote to be considered. Our next year's program must be one of technical cooperation which will stand fast under severe scrutiny, both as to purpose and as to detail of planned operation. Before we consider any further underground water use, we must be sure that it is a public service designed to develop water on the desert for the Bedouin.

Enclosed is the condensed statement on the program in Saudi which, with modifications,will be used in justifying the budget request. Additional material has been

requested since this draft was prepared and that is now being assembled. I'd like it if you would personally go over this material and cable me of any changes which you think important to be made.

Note: This enclosure was not given files with the letter. May 31, 1953

Program Policies

FROM: SECSTATE WASHINGTON

CODE: UNCLASSIFIED

10705Z

DATE: August 31, 1953
NO: TECTO CIRCULAR 41
RECEIVED: September 2, 1953
12:30 PM

FOA Organization.

1. Planning install October 1 new world wide FOA organization along lines legislation, President's program, and general policies already announced. Contemplate all FOA activities each country will be organized under a United States operations mission headed by a director. While US operations mission the official title, it is recognized that in many instances an additional title may be desirable for local use because of historical for public relation value. For example, Institute of Interamerican Affairs would be used in Latin America in conjunction with new title.

2. Each mission to focus attention on three following fields, with projection tailored to program dnd country situations:

A. Trade and investment: including stimulation trade flow, opening avenues for investment, encouraging sound internal investment developments, and cooperation of off shore procurement where this a factor;

B. Economic analysis: including economic statistics reports and studies on specific country conditions, trends, and potentials; and

C. Technical services, a coordinated approach to agriculture, health, education, resources, industrial productivity, etc. emphasizing decentralization of personnel and current activities to appropriate locations other than capital cities.

3. In larger missions, separate controller required for budget, audit and financial reporting, and separate administration officer for administrative and personnel activities.

4. In a large mission three fields mentioned paragraph 2 above each appropriately headed by an assistant director. Elsewhere two or more these activities handle one individual. Realize that variations as among types of missions will be essential to meet US program in specific countries. Request soonest your proposal with respect to organization your mission in light paragraphs 2 and 3 above and ceiling established immediately following cable.

5. Two other actions outlined in following cables to be taken coincidental with above reorganization are required by appropriation act as follows:

A. Reduction of administrative expenses and personnel and
B. One third in number persons paid $12,000 or more whether administrative or program.

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UNCLASSIFIED

Policy

UNITED STATES OF AMERICA
TECHNICAL COOPERATION ADMINISTRATION

Current Date July 22, 1953

TELEGRAM RECEIVED

Date Sent: July 20, 1953

Number: Circular TECTO 22

FROM: SECSTATE WASHINGTON

Date Received: July 21, 1953

Regarding Teheran TOTEC 106 and 116, administrative support, call for estimates transmitted June 18 expressed general desire Washington joint administrative service be effected to degree feasible avoid unnecessary duplication while being fully responsible to operational requirements and responsibilities. TCA country mission policy stated December 1951 memo still effective, that country director and chief diplomatic mission develop jointly kinds and amounts Embassy administrative support to be provided to TCA. Support arrangements should in no way preclude TCA administrator from holding country director accountable planning executive and evaluation programs. If Embassy and TCA cannot reach mutual agreement on administrative support necessary service TCA operation, country directors should report difference to TCA Washington.

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TCA DISTRIBUTION:
F"L
F-2
F-3
CHRON XXX
ACTION BY:

UNCLASSIFIED

CONFIDENTIAL

Airgram
Paulines

Circular Airgram: INSTRUCTIONS CONCERNING BUDGETING PROCEDURES

Control 93
June 1, 1953
7:10 p.m.

TO: CERTAIN AMERICAN DIPLOMATIC POSTS TOTEC

In view of numerous requests from the field for permission to reprogram savings resulting from personnel lapses as well as from other causes it is deemed necessary to announce certain policy considerations which will guide our actions in these matters:

1. Most of our programs were presented to Congress as illustrative. Congressional acceptance and the necessary appropriation mean only that we have Congressional approval for the general type of programs thus described. It does not follow that the illustrative programs become specific after the appropriation has been voted. Nor does it follow that our own country program authorizations must remain inflexible.

2. Reasonable flexibility, therefore, would permit us to reprogram on a quarterly basis provided we keep within the bounds of the general type of programs described to Congress and subsequently expressed in the program authorization approved by DMB.

3. In the last quarter, however, we must avoid any suspicion of reprogramming merely as a device to get the money spent. This is to say that the same degree of flexibility which we might exercise in the first three quarters cannot be exercised in the fourth quarter. Our failure to detect possible savings prior to the last quarter will, in most circumstances, have to be accepted as a planning error on our part. This applies even more specifically to savings from personnel shortfalls, which will not be reprogrammed in the last quarter except under emergency conditions.

4. As a general rule each request for reprogramming will be weighed against its own merits but the above considerations should be taken into account in the field as they most certainly will be in Washington.

5. In summary, we will follow the normal course of action. Program or project agreements which have been under negotiation prior to the fourth quarter will not be stopped. But we will avoid all appearance of shifting funds in an effort to absorb possible savings.

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TECHNICAL COOPERATION ADMINISTRATION

May 1, 1953

TO: All Country Directors

FROM: Stanley Andrews, Administrator SA

SUBJECT: Transmission of Statement on TCA Relationships with Private Non-Profit Agencies

In accordance with my circular airgram of April 21, 1953, Control No. 2895, I am transmitting for your attention the full policy statement on TCA Relationships with Private, Non-Profit Agencies.

Attachment

Policy Statement

CONFIDENTIAL

F-1
F-2
F-3

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(This paper is intended for internal Government use only)

TECHNICAL COOPERATION ADMINISTRATION

Department of State

STATEMENT OF POLICY AND DIRECTIVE ON OPERATIONS with respect to RELATIONSHIPS BETWEEN U.S. GOVERNMENT TECHNICAL COOPERATION PROGRAM AND PRIVATE NON-PROFIT AGENCIES

Scope of this Paper

This paper sets forth:

1. The policies of TCA with respect to its relationships with private non-profit agencies;

2. Directives for operations to implement these policies;

3. Measures which are being taken by TCA/Washington to promote more effective cooperative working relationships with private non-profit agencies in carrying out the U.S. Government Program of Technical Cooperation;

A background discussion describes the problems inherent in relationships between TCA and the large number of U.S. private non-profit agencies which have carried on or are preparing to carry on activities in the broad field of technical cooperation.

Action to be Taken

In order to develop effective cooperative working relationships with private non-profit agencies in carrying out the U.S. Government Program of Technical Cooperation, in accordance with Section 407, Title IV of Public Law 535, the following action will be taken by TCA:

General TCA-Agency Relationships in the U.S.

1. TCA will issue a public statement based on this document (a) clarifying the role of private agencies in contributing to the technical cooperation program, (b) pointing out that the emphasis in relationships between TCA and private non-profit agencies will be non-contractual and cooperative to further both governmental and voluntary programs through exchange of information and joint consultation, because the number of TCA-Agency contracts will necessarily be limited and

(c) setting

(c) setting forth TCA proposals for achieving mutual objectives through the development of cooperative working relationships and exchange of information among the agencies and TCA. This statement should be circulated to the private agencies for their information and comment, and should be the subject of a series of consultative meetings called by the TCA Administrator.

2. The Administrator will invite leading representatives of the private agencies to constitute a permanent advisory group, with rotating membership. This group should be brought into systematic liaison with a central group in TCA.

3. The Administrator shall authorize the establishment of systematic liaison with the private agencies, making use of the services of the Advisory Committee on Voluntary Foreign Aid as appropriate and drawing in members of TCA programs; technical (including Government technical agencies), legal, information and area staff as needed.

4. TCA will take the initiative in (a) organizing the non-contractual relationships between the private agencies and TCA including the regular exchange of information on program and policy developments and (b) surveying the private agencies for potential contract arrangements.

5. The cooperation of the private agencies will be sought in interpreting the long-range aims and methods of technical cooperation in order to enlist public support for constructive projects and to find practical ways of expressing the dynamic good will of the American people.

Contract Relationships

6. TCA will enlist the services of private non-profit agencies to the fullest extent that they can benefit the technical cooperation program.

7. TCA will not contract with private agencies which it determines to be religious proselytizing agencies. Agencies with which TCA contracts must agree not to assign to duty under such contract any personnel who will engage in religious proselytizing activities. Should TCA determine any such personnel is engaged in religious proselytizing, such determination shall be cause for the recall from overseas assignment of such personnel. Neither the agency nor its personnel shall engage in internal political activity.

8. TCA may make contracts with private, non-profit agencies only if they fully satisfy the following criteria:

a. The host government should have requested the proposed services; and approved selection of the particular agency.

b. TCA shall

b. TCA shall have determined that the use of a private agency offers an appropriate efficient and economical means to provide such services.

c. The particular private agency chosen shall have demonstrated the necessary competence and experience to perform the required services.

d. Performance by an American agency shall not replace or compete with that of an indigenous agency, or preclude the establishment or strengthening of an indigenous agency.

e. The private agency shall generally agree, under contract, to carry out on behalf of the U.S. Government a specific segment of the technical cooperation program within the participating country.

9. Private agencies and their personnel assigned to duty under TCA contract shall be subject to all existing TCA security and loyalty requirements for such personnel.

10. Personnel of private agencies under contract should receive adequate orientation on the technical cooperation program from TCA and may be required to attend the orientation course provided for TCA personnel by the Foreign Service Institute.

11. During the life of the contract, the activities performed by the private agency under the contract shall be operated under the general direction of the TCA Country Director, and financial and program reports will be submitted to him as specified in the contract.

12. No preferential treatment shall be given to any private agency or group of agencies that meet the criteria in 8 above, or exclusive arrangements be made with them.

13. TCA shall make no formal or informal or implied commitment to any private agency or group of agencies as to nature or volume of future business.

14. Funds appropriated by the U.S. Government technical cooperation program shall not be used to support the regular programs of private non-profit agencies.

15. The U.S. Government technical agencies will be consulted by TCA, as appropriate, on technical aspects of projects which TCA intends to carry out under contract with private non-profit agencies and where appropriate, provide technical support and evaluation.

16. The Advisory Committee on Voluntary Foreign Aid will be consulted, where appropriate, for information and advice concerning the selection and use of private agencies in the U.S. Government technical cooperation program.

17. TCA staff, both in Washington and in the field shall acquaint themselves with TCA policy and operations in relation to private agencies.

Field Relationships

Field Relationships

18. The Administrator hereby issues directives to all Country Directors covering the following points:

a. The Country Director shall acquaint himself and his staff with the activities of private agencies within the country, both U.S. and indigenous.

b. In considering country needs and in programming, the Country Director shall give full consideration to the contribution that private non-profit agencies can make, through both cooperative and contractual relationships, and shall recommend accordingly to the Administrator. There may be good project opportunities which, for one reason or another, cannot be financed out of TCA funds but which a private non-profit agency in the U.S. may be willing to support. In addition there may be projects requested by the host government which, due to limitations of funds allocated to the country, are not included in the country program. Information about these project opportunities could be given to private agencies for their consideration. The Country Director will include such information in his regular monthly report to TCA/W for dissemination to U.S. private agencies. Information thus transmitted to private agencies will not necessarily imply endorsement by TCA of projects which the agencies may develop as a result of this information.

c. The Country Director should establish appropriate liaison with U.S. private agencies operating independently in the country in the general field of technical cooperation for purposes of consultation and exchange of experience and information.

d. The Country Director shall take responsibility for general direction of work carried on in the country by private agencies under contract with TCA and should see that the program and reporting responsibilities of the agencies are met.

e. The Country Director shall be responsible for reporting in the TCA-Monthly Program Summary or in special reports on the performance of the contractor and shall also include in such reports an evaluation of the effectiveness of the projects.

f. The policy recommendations with respect to contract relationships set out in this paper shall apply to agreements and contracts entered into with agencies by a Country Director, either directly or within the scope of his authority, in his capacity as Co-director of a Joint Fund or Director of a Cooperative Service established within the Government of a host country.

BACKGROUND DISCUSSION

A large number of U.S. private non-profit agencies--many of them sectarian or sectarian in origin--have carried on programs abroad for years, or are preparing to do so. Many of them have made outstanding contributions in the fields of agriculture, health, and education, and have developed patterns of technical cooperation which have been adapted and utilized to a certain extent in the technical cooperation program. Some of these agencies have established educational institutions which for generations have trained top leadership in under-developed countries. In some cases, they have put down strong roots and gained the confidence of the people of the countries.

The activities of the private agencies which may be of special interest and potential value to the U.S. technical cooperation program are, among others, the following:

1. Educational activities, through secondary schools, vocational schools, colleges and universities.

2. Village and urban development projects, which raise living standards through community organization and improved agriculture, health and sanitation techniques, education, social welfare, and other cooperative self-help projects.

However, a considerable part of U.S. voluntary contributions in recent years has gone into relief activities because of relief needs caused by the war and new groups of refugees. As a result of this association of foreign aid with relief, there is some confusion among the American public as to the nature of the technical cooperation program and a tendency to try to assist the program through relief activities. It is important to make clear to those interested in assisting in the technical cooperation program that it is not a relief program.

Non-Contractual Relationships

Through the Committee on Voluntary Foreign Aid of the Department of State TCA has supplied information on TCA projects to the three coordinating organizations of voluntary agencies (1) The American Council for Foreign Service, (2) the Agriculture Missions, Inc., for the Protestant agencies and (3) the Mission Secretariat for the Catholic agencies. Through the device of the consultant, TCA has established systematic liaison with a few of the non-profit private agencies. A Board of Agricultural Consultants has met from time to time with TCA officers to exchange information and consult on operating problems. The Board has issued useful policy guidances to the Administration, based on these meetings. Representatives of voluntary agencies which have had experience with village improvement programs have advised the Community Services Staff, participated in a one-day conference and assisted in preparing materials.

Contractual Relationships

TCA has contracted with a few of the non-profit private agencies, to provide specific services to country programs. In initiating and carrying on TCA country programs a number of contracts have been entered into with private agencies which are generally known to be non-proselytizing in their operations to provide specific services in several different countries. For example, a contract to expand existing activities of the Near East Foundation in Iran made it possible in the rural

improvement

improvement work to take fuller advantage of the experience, knowledge, resources and good will of the Iranian people toward the Near East Foundation. The Foundation was again turned to by TCA for special assistance in undertaking the training of supervisors for work in the Shah's Land Reform Program. In Liberia, a contract was entered into with the Phelps-Stokes Foundation to provide technical education at the Booker Washington Institute because this school was the only existing agency of the kind in Liberia. These two examples will serve to illustrate co-operative working relationships that have obtained where the work of the voluntary agency was carried on as a basic and integral part of the technical cooperation program in the country.

TCA has gained valuable experience from these contractual relationships which should guide its future policies and operations. Experience shows, for example, that:

1. The choice of a particular private agency to perform contractual services raises questions as to basis of choice and tends to create rivalries among agencies, and must be justified by TCA on specific grounds of suitability.

2. TCA may be accused of sectarian bias, even where a contract agency has been sectarian only in origin, not in practice.

3. Contracts have, in some cases, proved too rigid in operation, in other cases too loose and vague.

4. In some countries no requirement or plan has been set up for field supervision by the TCA Country Director, including reporting and evaluation of performance.

5. Orientation of contract personnel has usually been neglected, constituting a loss to the program.

6. TCA has, to date, made no systematic and comprehensive survey of the resources and interests of the private agencies, with a view to using their resources as fully as desirable in the TCA program.

7. There has not beensufficient centralization within TCA of the relationships with private organizations to serve as an adequate clearing house for contract potentialities and interests.

A wide variety of private agencies which have not had contracts with TCA have expressed interest in undertaking services for TCA on a contract basis. There has been a particular interest in undertaking projects that would utilize young people with a limited amount of specialized training or experience but with great interest in working with the people of other countries and willing to accept the hardships of village life. This type of service has been given successfully by the voluntary agencies in situations calling for relief or post war reconstruction. Nevertheless, this type of activity, in general, cannot be used in the

technical

technical cooperation program because (1) the governments of host countries are unwilling to have large numbers of Americans in the country and (2) the nature of the technical cooperation for the most part demands the use of technicians who are qualified to advise and teach professional and technical knowledge and skills. The introduction of any considerable number of young Americans to do work that might be done by young nationals of the country under direction and with the advice of outside consultants would tend to interfere with achievement of the objective of enabling the nationals of the country to learn improved techniques and as fast as possible to take over increased responsibility for their own development. Consequently, in general, the over-riding need for relatively small numbers of key specialists and technicians to advise government departments and/or to work with local officials and representatives in a training and advisory capacity or as part of a team made up of Americans and technicians of the country. It should be noted that the American voluntary agencies conducting village work abroad, e.g. American Friends Service Committee, Near East Foundation, India Village Service, all employ a very limited number of Americans and a much larger number of local nationals. The Americans are used to direct and provide technical consultation and training to local village workers. Therefore, the nature of the program itself precludes, in general, the introduction of large numbers of Americans even though they are willing to serve as volunteers.

As the technical cooperation programs are further developed in the various countries, however, a variety of new relationships will be built and new needs and opportunities for cooperation discovered which might be particularly well met by voluntary agencies. The possibilities of extending the number of contracts through which voluntary agencies provide services on a contract basis paid for by governmental funds are limited. On the other hand, a great deal more should be done to help channel the interests and the voluntary contributions of the American people into self-help activities which will generate economic and social progress in the underdeveloped countries.

May 1, 1953

Confidential

CONFIDENTIAL REPORT - HAND CARRY

CONFIDENTIAL

ROUTING SLIP NO.1 TCA JIDDA DATE: 5/12 CLASSIFICATION: _____
(If classified, please hand carry)

Route to:

1. ~~COUNTRY DIRECTOR~~

PROGRAM

~~2. B. Betzig~~
3. ~~J. Stacy~~
~~4. J. Bode~~
5. ~~P. Marlin~~
6. ~~D. George~~ dy
L. Swearingen
7. ~~B. Oakes~~ Bls
8. ~~J. Haddock~~ JH

TRANSPORTATION & COMM
~~9.~~ E. F. Sinclair EFS

PUBLIC ADMIN & GOVT SERV
10. ~~R. Kennedy~~ RKR

_____

_____

EDUCATION
11. R. Dolley RD

_____

AGRICULTURE
~~12. Edens~~ JE
~~13. Moon~~ J.E.M.

_____

NATURAL RESOURCES
~~14. Brown~~
15. Jackson
~~16. Dougherty~~ DZD
17. Bogue RLB
18. Goudarzi GH

_____

HEALTH & SANITATION
20. ~~Ferguson~~
~~W. Davis~~ WP

_____

_____

F I L E

_____

COMMENTS:
1) For

___ Action
___ Signature
___ Initials of Approval
___ Information & routing on
___ Information
___ Further instructions
___ Read - See me
___ Investigate-Report to me
___ Prepare reply
___ Circulate to members of your group

2) Remarks:

UNITED STATES OF AMERICA

TECHNICAL COOPERATION ADMINISTRATION

OFFICIAL BUSINESS

CONFIDENTIAL REPORT

HAND CARRY

Program

WEEKLY LETTER EXCERPTS

FOR INFORMATION OF: Mr. Edward Betzig

Weekly Series Letter 36, dated February 16, received February 25.

"Program: The road building program as outlined in your cable No. 594, February 7, is most interesting. This should prove a great stimulate to the economic development to the entire area. The problem that this request presented us was that the original rural development project was presented to DMS when we requested funds as entailing only a minor program of farm-to-market roads. Any change in basic program requires an informal approval by DMS even through there are no additional funds requested. We have a cable cleared agreeing in principle with this project. However, as there was no specific request for a road building program, equipment to be purchased must fit into equipment categories needed in the El Darb project.

File Copy

UNITED STATES OF AMERICA
TECHNICAL COOPERATION ADMINISTRATION

December 18, 1952.

MEMORANDUM TO: John Dunaway

FROM: E. Reeseman Fryer

SUBJECT: Observations and Recommendations

1. The Saudi Arabian Program has been sanctioned by agreements and must now be pushed with vigor calculated to keep pace with the hopes and aspirations of the SAG.

I recommend you crystallize your staffing, method, action, and chronological plans as rapidly as is consistent with sound judgment; coordinate them with those of the UN agencies, discuss them in their development with the SAG and once approved push Washington for action and insist, as I will insist, that you be kept currently informed of progress there.

2. The Saudi staff is of general high caliber. If it has a weakness it is, I regret to say, in the failure of some of its members to be fully aware of their responsibilities as Americans. They seem not aware that as individuals they symbolize America to our Arab colleagues.

I strongly urge that you stress behavior to those concerned. I myself would not hesitate a moment to ask the recall of any individual who jeapardizes the American image by barking or swearing at our Saudi friends, no matter how pivotal the position he occupies in a mission.

The mission should be pulled together to work as a team. Staff consultation on all important program matters will do much to build team action and esprit de corps.

If possible, I would arrange offidáltime for language studies. Perhaps regular time might be set aside each morning for intensive practical teaching and learning. Anything you can do to strengthen person to person communication will lessen the chances of misunderstanding; build ties of friendship between the Arabs and ourselves and improve the chances for the success of the Point 4 Program.

On another note, keep Washington informed and telegraph important matters. All communications to Washington should be routed through you and if requiring Washington action be sent TOTEC. Otherwise, action will only be delayed by inquiry back to you as Acting Country Director.

cc: Sadek Bey Hussaini

Memorandum

To: John Denney

From: E.R.E.

Copy to
Mr. Kuniansky

Subject: Observations and recommendations

1. The Saudi Arabian Program has been sanctioned by agreements on most
[illegible] Visas
can be provided with ~~Contentat~~
calculated to keep pace with the
steps of operations of the S.A.G. I
recommend you crystallize your thoughts, methods,
actions and chronologic plans as rapidly
as in consistent with sound judgement;
Coordinate them with those of the
agencies, discuss them in their headquarters
with the SAG as soon agreement push
with the SAG as soon agreement push
Washington for actions can exist, as I
will insist, that you be kept
currently informed of progress there

2. The Saudi Staff is [illegible] genuine
Calibre. If it has a weakness

I regret today,
it is for the future of those
members of the family, dear to our hearts
responsibility as Marines. They seem
not aware that, as
the symbolic Executive, to our Nation
Allegiance
& I strongly urge that you stress
Values, & Core Concepts. I myself,
would not hesitate
ask the resale of any individual
who jeopardizes the American
by failing to Preserving at all times,
Friends
or Marine how personal the position
PIVOTAL
is Marines.
to Corporals in a Platoon.
the Mission must be
~~Team~~
pulled together & work as a Team.
Staff Consultations on all significant matters
will be used & build Team action
as esprit de Corps

I finish, I trust France,
Ideal time for language studies. Perhaps
regular time might be set aside each
day for practical teaching
morning for exercises and learning. Anything can be
done to strengthen peace & personal communications;
will lessen the chances of misunderstandings;
~~and~~ build ties of friendship between
the peoples of Democracies and enjoy the
chance for the success of the Pan-American
Program.

One another note, Secy Hull has
Telegraph important matters.
referred me all communications & Washington should be
routed through you at ~~and~~ Washington
dates should be sent Paris & Addresses,
Letters should be delayed by routine
letters would only [1] Letters Counter
signing Each & your or Letters Counter
Secretaries.

Extra Copy

TECHNICAL COOPERATION ADMINISTRATION
Jidda, Saudi Arabia

December 11, 1952.

MEMORANDUM TO: Mr. Edward Betzig

FROM: Dr. William J. Edens, Chief
Agriculture Division

RE: A Proposed Program for Improving Agriculture in the El Darb and Khulais Communities, with Recommendations for Abha

Part I - El Darb

El Darb is a village of approximately 200 houses, or a population of 1600. It is located some 20 kilometers inland from the Red Sea on the south bank of Wadi Itwad. Three villages are located up the wadi from El Darb and 10 villages are found between El Darb and the Red Sea. These villages have an average population of 160 each according to the estimate of El Darb's Amir. The homes are constructed of mud or mud and stick walls with thatch roofs, and the mode of living is very primitive. The basic bread crop is Durra and meat is supplied by sheep and goats. A few vegetables are grown when there is sufficient rainfall. The annual rainfall is approximately 8 to 10 inches.

The community of El Darb appears to have adequate farm lands which are diked to receive water from the wadi sails. When rainfall is distributed fairly well throughout the rainy season, better use is made of water coming down the wadi. Otherwise the diversion dams are washed out, and little water is received by the fields which stand ready at all times to receive water from the wadi sails. Fields in the El Darb community will exceed 1000 acres.

About 10 kilometers northwest of El Darb is found a larger tract of land well suited to the production of crops should water be provided for irrigation. The soil appears to be a silt loam and of good fertility. It lies well and the cost of land leveling should be at a minimum. Water resources surveys indicate that there is sufficient water stored beneath the surface to make the irrigation of much of this land feasible. Test wells are to be drilled at an early date to determine the amount of water that can be made available.

Since

Since the El Darb area has been selected for specific attention in community development, which includes an agriculture improvement program, it should be pointed out that the first technical assistance will of necessity be that of helping the farmer improve farm practices now followed. In brief, this assistance would be provided in the following manner:

1. Establish a plot of land in the community to be used for crop demonstration. On this plot improved varieties of crops can be tested and seeds, seedlings and grafting stock can be produced for distribution to farmers.

2. Assist farmers in improving the use of available water resources (irrigation and drainage) and in the conservation of all natural resources.

3. In addition to the above, technicians will instruct and assist in the (a) improvement of livestock, (b) control of plant and animal diseases, (c) use of appropriate farm equipment, (d) preservation of foods, (e) improving the marketing of products, (f) management of farms, (g) training local leaders in agriculture, (h) and establishing a vocational agriculture school for youth and adults.

In the development of a community program in the El Darb area, it should be pointed out that this area is in a remote section of the country and is reached from Jidda by a trail which is rough and rocky beyond description in many places. Many of these places are practically impassible. It will be necessary to provide housing accommodations for technicians which will need air conditioning for at least six months each year. Some kind of medical assistance should be provided in case of emergencies, and radio communication facilities will be essential. Personnel for work in this area should be unmarried or men who are willing to be away from their families for long periods of time, and who are willing to live under rugged conditions. Food and water supplies will be problems. The above items are mentioned because they must be dealt with in any program in the Tihama.

The following

The following items are listed as being essential to initiating an agricultural improvement and reclamation program in the El Darb community with the possibility of giving a limited amount of technical advice to farmers in the Abha area. All equipment and supplies have been estimated for the El Darb community.

PERSONNEL

1. Irrigation Engineer
2. Soil specialist..Soil Classification,testing, use.
3. Agronomist
4. Animal Husbandman
5. Entomologist (Part time)
6. Horticulturist
7. General Agr'l Extension
8. General Mechanic (Farm equipment,including welding)

EQUIPMENT AND SUPPLIES

Category	No. Units	Unit Cost	Total Cost	C.I.F.
1. Fertilizer	5 t	$60	$ 300	$ 300
4. Farm tools	-	-	2000	2000
Tool shed & storage house	-	-	2500	2500
5. Stationery gasoline motors	-	-	400	400
				5,200

10. Agriculture Equipment

- 8" turning plows	4	100	~~200~~
- one-row planters	2	100	200
- grain drill	1	175	175
- Hand concrete mixers	2	100	200
- Farm Wagons(Sand tires)	2	250	500
- Lime spreader	1	150	150
- Fertilizer distributor	1	150	150

(Continued)

	No. Units	Unit Cost	Total Cost	C-T	Brt. End:
- Mowers, tractor	2	$175	$350	7	$5,500
- Disk Plows	2	150	300		
- Hoes, shovels, forks, etc.	1 lot	300	300		
- Small mule gear & attachments	1 lot	150	150		
- 2-section spike tooth harrow	1	75	75		
- Horticulture pruning set	2	75	150		
- Two-gallon thermos jugs	15	10	150		
- Two-wheel trailer (livestock)	1	250	250		
- Tandem disk plow	1	250	250		
- 1/2 row cultivators	4	20	80		
- spray equipment	-	500	500	4,030	4,030
					9,530
12. Jeep station wagons (4-wheel drive with sand tires & winch)	5	2000	10,000		
Dodge Power Wagons with sand tires & winches	3	2500	7,500		
Two spare parts for each critical point of above vehicles	-	-	2,000	19,500	

(Continued)

CATEGORY	NO. UNITS	UNIT COST	TOTAL COST	G-T
13. Farm tractors (Large row types)	1	$3000	$3000	
Small tractor (Ferguson or Ford)	1	2000	2000	
Implements (Tractor)	-	-	2500	
Spare parts for above	-	-	1000	
DC 7 or 8 Cat.Tractor	1	-	10000	
Land leveler	1	-	5000	
2-ton power Carry scraper	1	-	4500	
Spare parts for above tractors		-	2500	
Marlin ditcher	1	-	175	30,675
16. Farm survey kit	1	-	200	
Soil testing lab. kit	1	600	600	
Soil survey kits	1	50	50	
Imported purebred bulls	5	-	5000	
Imported improved sheep	-	-	5000	
Imported improved poultry			1500	
Miscellaneous Equipment			1000	12,500
19. Improved seeds and seedlings			1500	
22. Petroleum & products			10000	
26. Insecticides and fungicides			1800	
27. Pharmaceuticals, drugs & vaccines			700	
30. Educational supplies			500	

Continued

CATEGORY	NO UNITS	UNIT COST	TOTAL COST	G-T
Housing facilities				
- Air conditioned trailers for sleeping quarters.	3	$4,000	$12,000	
- Air Conditioned trailers for office space	2	3,000	6,000	18,000
FARM Road (On developed land and to Barb)			20,000	20,000
Misc - Office Supplies and Equipment			600	
Woven wire stock fence			700	
Poultry wire fence			300	
12 rolls screen wire (fine mesh)	240			1,640
GRAND TOTAL:				$126,545

Part 2 - Wadi Khulais

The Wadi Khulais Community is located about 40 miles north of Jidda. It is much smaller than El Darb but the pattern of agricultural development would be similar to that of El Darb. Some of the personnel required at El Darb can be used at Khulais. This will not be the case for equipment and supplies because of distance and travel difficulties.

Additional personnel for Wadi Khulais would include an Agronomist, Animal Husbandman and Horticulturist. Equipment and supplies would approximate one-fourth the cost at ElDarb or about $31,700.

Part 3 - Recommendations for Abha

Abha is the capital of Asir and it is centrally located in that province. Its population is approximately 3000. Community organization is quite evident by the existing service institutions. Homes of the people are very substantial with architectual design complimentary to any city.

Farms in the Abha community and those of adjoining wadis and villages are carefully terraced to make use of all available water and to conserve the soil. Farm houses are of durable construction and they possess the same architectural design found in Abha. Crops grown include wheat, barley, alfalfa, durra, onions, eggplant, peppers, pumpkins, tomatoes, pears, applies, grapes, young citrus, plums, peaches, mulberries, olives, figs and pumgranate. The common crop rotation is to follow wheat and barley with vegetables. All barnyard manure is conserved and placed on the fields. It is the only fertilizer used.

It is believed that Abha would readily respond to a community improvement program. Definite efforts are now being made to improve health, education, and agriculture. Consequently Abha, with technical assistance, could become a model for community improvement throughout the country.

It is suggested that serious consideration be given to helping constructing a dam in Wadi Abha near the old dam site. This additional water supply would greatly increase agricultural production in the entire wadi. All desirable land has been brought under cultivation, however its productivity is limited by inadequate water supply and cultural practices.

Excepting the assistance necessary to construct a dam, an agricultural improvement program should not entail an expense of more than one-fourth the estimated cost of the El Darb improvement program.

FIELD-OF-ACTIVITY GUIDE LINES FOR PROGRAM PLANNING

(Prepared in cooperation with the Technical Agencies)

The hearings on the FY 1954 Mutual Security budget before the Congress, plus the reduction of about 15 per cent in the funds requested by TCA have emphasized the importance of more selective planning of Technical Cooperation activities. Representations made by the Administration were successful in restoring the major portion of the cuts originally made by the House Appropriations Committee, and it is planned to offset the greater part of the remaining cut against proposed increases in the going level of the programs of a few particular countries. Most TCA countries will have funds available for the coming year to permit a realization of most previously planned activities. Nevertheless we should take special steps to make certain that our efforts to "balance" an over-all country approach do not result in a multiplication of uncoordinated activities. Repeated emphasis was laid by Congressmen and Senators alike on the necessity for "selectivity" and "concentration" if we are to achieve the results expected by the Congress with a relatively modest budget available.

Accordingly the various backstopping agencies in cooperation with TCA technical staffs have each prepared suggested "guide lines" which it is hoped will aid field technicians and programmers in deciding among the varied possibilities which might be undertaken as Technical Cooperation projects.

The varying lengths of the suggestions from the different agencies do not necessarily reflect the importance of the ideas therein. Indeed, many programming problems seem to be common to a number of fields. It is suggested therefore that it would be helpful if the entire set of "guide lines" is read by all key staff responsible for developing the field submission of the FY 1954 "operational" program and the FY 1955 "illustrative" budget.

GENERAL CONSIDERATIONS

These guides are prepared primarily for use in technical assistance (Act for International Development) programs. Other factors could possibly influence the selection of special economic aid projects.

Technical assistance is simply a means for self-help. It makes skills available, but the transfer, adaptation, and practical application of the skills rests largely with the foreign technicians, people, and governments. The goal of qualifying local people to do a job for themselves is very important. We should not attempt to build faster than the country and its people are able to assimilate new concepts and practices within the framework of their economy and way of life. We should not find ourselves approving activities that require the United States' staff to do the job for the other country. We must work with them, not for them, so that our counterparts in other governments may become competent in specialized fields and thereby make our help self-liquidating.

Programs must be initially and primarily developed in the field by Country Directors and their staffs in close cooperation with host governments. They must be developed on the basis of needs and conditions in the countries and regions as set forth in Section 123 of the TCA Manual of Policy and Operations

and within

and within the terms of reference provided by TCA/W in the light of U.S. interests and objectives.

Cooperation with other public and private agencies and with other bilateral and multilateral government organizations is to be strongly encouraged wherever such cooperation brings improved results or accomplishes equally good results at less expense to the United States. This applies in particular to philanthropic foundations, industrial corporations, religious groups, societies, clubs, and other non-federal agencies.

The following questions should be suggestive in considering what it is desirable for TCA to undertake. The answers to questions in the second group should for the most part be affirmative where applicable to a particular project. Where they are not, the program or project should be looked at especially closely and be carefully justified. (It is realized that questions 5, 6, 12, 26 and 27 do not call for a simple "yes" or "no.")

General Situation in the Country or Field of Activity

1. What are the chief needs or deficiencies?
2. What are their priorities and relative importance?
3. To what degree are their causes interrelated?
4. What elements of the populations are most (1) underprivileged, (2) dissatisfied, (3) politically disruptive?
5. What are the principal unused or inadequately used resources -- natural, human, or financial?
6. What factors inhibit better use of resources?

Considerations Respecting a Proposed Program or Project

1. Will it increase productivity?
2. Will it improve training and skills?
3. Will it employ or imply the "grass roots" approach?
4. Is it really desired by the leaders and officials of the host government?
5. Roughly how many people will be affected by the program?
6. To what extent is the program able to hold the support of the people it serves?
7. Will it develop new resources, conserve old ones, or increase production of essential raw materials?
8. Will it help diversify or increase exports or internal consumption?
9. Will it increase stability?
10. Will it be able to operate without indefinite aid or protection?
11. Will it have favorable immediate and long-term effects?
12. To what extent will early results of the program be recognizable?
13. Will it stimulate local effort and cooperation and carry over into additional activity?
14. Will it stimulate investment?
15. Will it improve living or working conditions?
16. Will it avoid undesirable effects on social institutions, social structure, and patterns of living?
17. Can U.S. participation be terminated in a reasonable time?
18. Are there adequate local administrative resources for participation and future assumption of full responsibility?

19. Are

19. Are U.S. and local technicians available?
20. Are supplies and equipment obtainable?
21. Has the local government sufficient financial resources to participate adequately and gradually to assume its total cost?
22. Is adequate financing available? Is U.S. government financial assistance necessary?
23. Is this the most promising plan in terms of available resources and existing conditions?
24. Is it flexible?
25. Does it tie into the country's program for economic and social development? Into a sound pattern of regional development?
26. To what extent does the program facilitate the total technical assistance program in the country?
27. To what extent in the evaluation of the program feasible and provided for?
28. Does it fill a gap, correct a glaring deficiency, or extend an activity vitally needed but not now provided?
29. Is it within the country's absorptive capacity?
30. Does it take account of multilateral, private, or other bilateral technical assistance or economic aid program? Has it been discussed with any of these agencies contemplating similar activities?
31. Does it accord with U.S. foreign policy, economic and political?
32. Have possible barriers to success been taken into account?

I. AGRICULTURE AND NATURAL RESOURCES

A. Agriculture

Major emphasis should be placed on local farming to satisfy domestic requirements and the production of crops which could find an export market. It would ordinarily be uneconomic to stress export crops now in surplus in world markets.

Demonstrations in the field should be limited to on-the-farm demonstrations; and by no means should we give further support to the model or demonstration state or program-operated farms. Such farms have not proved successful in the U.S. and we have no reason to believe they will prove more successful elsewhere. The technician should show the farmer what to do on his own farm. The United States should ordinarily not pay for such services as extensive plowing, land clearing, and the threshing of crops, except in cases where special economic assistance is required. This does not preclude technical assistance to the organization and operation of machinery pools and other community facilities.

Emphasis and encouragement to private enterprise in the host countries should receive a top priority in planning all agricultural projects.

More use can be made of contractual methods for it has been found that private entities are in a position to help carry out agricultural technical assistance programs effectively. There are also many private U.S. technicians whose guidance could prove invaluable in program planning. Their advice should be sought wherever practicable.

Some projects can be undertaken on a regional basis, a procedure which may afford opportunities for substantial savings.

Fisheries projects, both marine and fresh water, designed to improve available food supplies might well be emphasized in those countries experiencing food shortages.

B. Range Lands

Effort should be made to continue and to expand assistance provided in the improvement of range lands and the control of grazing. Improvement of desert lands may be expanded through such methods as those of water spreading. Modest assistance may be desirable toward establishing better basic land management policies and procedures through cadastral engineering and related methods. It is desirable to continue this type of assistance, where requested, in order to establish more stable economic conditions.

C. Water Resources Development

Priority should be given to assistance in planning developments of water resources for domestic consumption and for irrigation use where such irrigation is needed to increase food production. Each local plan involving international waters should be considered in the light of its regional implications. Of possible lesser importance, but highly desirable, is technical assistance toward the development of potential water power in those areas where electrical energy

is needed

is needed for improvement of the standard of living. (Projects primarily for power should be reported under IV. TRANSPORTATION, COMMUNICATIONS, AND POWER.) In general in the field of water resources development first priority should be given to assistance on projects of such scope that financing can be obtained when plans have been completed through TCA assistance. A general guide is Section 2070, Volume 3 of the TCA Manual of Policy and Operations.

Policy on Supplies and Equipment

Generally speaking, supplies and equipment should only be purchased with U.S. technical cooperation funds when:

1. necessary to the effectiveness of the technician.

2. many farmers can be reached with a method demonstration.

3. used as limited training and educational devices, including pilot or demonstration facilities, such as small-scale food processing.

II. HEALTH AND SANITATION - (including Social Welfare and Vital Statistics)

A. Health and Sanitation

Priorities should be based on demonstrated ability of a health program to:

1. Strengthen economy by health benefits which release effective human energy, improve citizen morale, improve environment for local and foreign investment, open new land and project areas;

2. Contribute to our political objectives by reaching large populations with highly welcomed personal service programs; by demonstrating our deep human interest in man and his dignity.

In determining priority, the following factors should be weighed, recognizing considerable country variation:

a. technical and administrative feasibility

b. early recognizable results

c. results attainable relative to cost

d. take-over ability by host country

e. number of persons affected

In applying the priorities, the mission should take into account local economic, political, and cultural factors and the relationship of each project to the current health administration and to the long-range health program of the country.

First Priority Programs - (Numerical order is not intended to indicate priorities within the group.)

1. Mass

1. Mass campaigns against malaria, yaws, beri-beri, where they are major problems.

2. Development of protected small community water supplies.

3. Demonstrations through health centers of services on a community-wide basis including sanitation, communicable disease control, health records and statistics, home visiting, maternal and child health, health education, laboratory, and general clinical services where required to gain acceptance of the community. Health centers should be used for sub-professional training and field experience for professionals and should be limited in scope and number to the national capacity to absorb and operate them.

4. Advice and assistance in strengthening organization and operation of public health administration of the host government.

5. Inclusion of training and health service projects in proposed or existing community or village development programs.

6. Advice and assistance in planning and designing, and supervision of construction, of hospitals, health centers, laboratories, other health facilities.

7. Development and support of basic training of nurses to demonstrate the proper status of nursing as a profession and to provide leadership for indigenous training.

8. Training of sub-professionals to meet major specific health problems in preventive medicine, nursing, sanitation, limited medical services; such training to develop personnel for a planned program which must include professional supervision and periodic refresher training. Where practicable, opportunity should be given for advancement of outstanding individuals to higher levels.

9. Fellowships, preferably project related, in U.S., limited to public health; not exceeding one year awarded to physicians, engineers, nurses, health educators, and administrators. Training should be provided in the host country or region to maximum extent possible.

10. Construction of demonstration health centers and nursing schools when necessary to success of these programs by insuring physically adequate, effectively planned facilities.

Second Priority - (Order does not indicate priorities within the group.)

These projects require special explanation showing economic and political values, feasibility and relationship to total health program.

1. Mass campaigns against other diseases where of major importance: e.g., trachoma, louse-borne typhus, leprosy.

2. Consultation on urban water or sewerage systems.

3. X-ray,

3. X-ray, audio-visual, or other major equipment for hospitals or health centers.

4. Excreta disposal projects, other than as an integral part of a community general sanitation program.

5. Refuse disposal, fly control, and food protection projects.

6. Assignment of U.S. personnel to foreign institutions.

7. Industrial hygiene projects.

8. Projects for tuberculosis immunization (B.C.G.), case finding, and ambulatory treatment, where the problem warrants and facilities permit.

9. Nutrition projects.

10. Fellowships for training key medical school teachers in major pre-clinical and clinical specialities.

Third Priority

The following types of projects, which have been suggested from time to time, have too low a priority under FOA objectives to be undertaken within available funds, except when fully justified by most unusual circumstances:

1. Mobile clinics requiring specialized motor equipment, or for general medical care.

2. Construction or financing of construction of hospitals, water and sewerage systems, or other major structures.

3. Operation of hospitals by U.S. personnel or at U.S. expense.

4. Training of practicing physicians in clinical specialities in U.S.

5. Dental health projects.

6. Mental hygiene projects.

7. Establishment, equipping, or operation of blood banks.

8. Medical rehabilitation projects.

9. Mass treatment for intestinal parasites.

10. Geriatrics projects.

11. Poliomyelitis control or treatment projects.

12. Training in tropical medicine in U.S.

Policy on

Policy on Supplies and Equipment

Purchase of such items from FOA health funds is justifiable only when:

1. necessary to effectiveness of a technician;

2. necessary to make an important demonstration complete and convincing, or to initiate or complete a major control project.

3. many people are reached through use in a training project.

Basic Health Team

The basic health team of a mission, to accomplish the desired objectives, should include a public health physician, nurse, sanitary engineer, health educator, and health administrator.

B. Social Welfare

Social welfare has a significant relationship to other fields of technical assistance. Projects in this field should be part of a coordinated approach to economic and social development rather than isolated activities. In finalizing the 1954 program and in planning the 1955 program preferential emphasis in the field of social welfare activities should be given to the following:

1. Strengthening national agencies, such as Ministries of Social Affairs, to enable them to initiate or expand social services needed to increase productivity and enable people to improve their standard of living. This usually requires providing social welfare specialists as advisers to such agencies.

2. Cooperation in other projects such as community development, health, and housing. Social workers, working in cooperation with technicians in other fields, are needed to make some types of projects more effective. Experts in group work and community organization can assist in community development programs by training personnel in skills of working with groups and with communities and getting their participation. Medical social workers as members of a health team can assist in increasing the number of persons served. The inclusion of a social welfare consultant on a housing project assists in achieving the social objective of housing programs. Projects to reach and secure the interest, understanding and participation of women are important to community development; a team consisting of social worker, home economist, and public health nurse would be effective in helping women.

3. Training - Professional Workers - Auxiliaries - Staff Development - In-Service. Trained and skilled leadership is as important in social welfare activities as in other fields. Most of the present social welfare projects now in operation include not only training in schools of social work, but also sub-professional and in-service training of agency staffs. These should be continued but should be closely tied in with activities under 1 and 2.

For a more detailed discussion of policies and guides in this field, see Section on Community Services, paragraph 2160 and following, Volume 3 - TCA Operating Policies and Procedures.

III. EDUCATION

Priorities are based on the following types of educational activities:

1. Community Education
2. Technical Education
3. Fundamental Education
4. Teacher Training
5. Educational Administration and Supervision

Community Education

Community education is basically functional education and has broader objectives than the basic tasks of training literate, "right-minded," and economically efficient citizens who reflect the values and processes of a particular social, economic, or political setting. In addition to these basic educational tasks, it is directly concerned with improving all aspects of living in the community on the local, state, regional, national, or international levels. To attain that end, community education is consciously used by the people of the community. Its curriculum reflects planning to meet the discovered needs of the community with changes in emphasis as circumstances indicate. Its buildings and physical facilities are at once a center for both youth and adults who together are actively engaged in analyzing problems suggested by the needs of the community and in formulating and exploring possible solutions to those problems. Finally, community education is concerned that the people put solutions into operation to the end that living is improved and enriched for the individual and the community.

Fundamental Education

Fundamental education is basically community education where there is no formal school system or the formal school is inadequate. It is concerned with the basic knowledge, skills, and attitudes essential for effective functioning in the simple day-to-day requirements of the particular society in which one lives. It especially focuses upon adults, young and old, who do not now have, or who have not had, the advantage of formal schooling. The content of fundamental education will depend upon the present state of development of the people being educated. Fundamental education seeks to assist adults to perform better the simple routine tasks demanded by the present state of development in science, technology, health, food supply, social processes, and civic responsibilities. Fundamental education is broad in that it is concerned with all of the aspects of social dynamics that interact with the individual; it is specific in that it is directed toward identifiable immediate needs; and it is simple in that the tasks to be learned are encountered in day-to-day life.

Technical Education

Technical Education

The basic fundamental struggle of humanity is the struggle for better living. Better living simply expressed means having more of the elemental necessities for security, health, and understanding. Having more is in essence based upon the occupational competence of individual persons to produce. Technical education is concerned with teaching each individual the knowledge, skills, and attitudes necessary for him to become optimally productive. It derives its content from the occupational fitness required of a person in the society where he is. Its methods should consist of the most effective combination of cultural processes known to the individual and instructional techniques proved by the professional specialist. Technical education provides opportunities for acquiring the competencies and understandings, technological and scientific, that undergird and support the development of increased skill in manipulative processes so that the resultant increased production contributes to the whole of good living. (It is pointed out, of course, that specialized technical education at various levels is specifically provided by certain other technical staffs.)

Staff

The staffing pattern for the educational mission will be determined by the approved educational program. The number of projects, their extent, the amount of local participation, and the expressed needs of the local ministry all will control the number of educational specialists and/or generalists needed. Obviously, these educational activities should be directed by an educator designated as chief of party. In these countries where educational agreements have not been concluded the country director should have at least one well-trained and experienced educator available to whom he can look for policy guidance in cooperation with other chiefs of party in relation to the entire country program.

Education officers in cooperating countries are urged to screen requests for specific educational activities in the light of the unique conditions that prevail locally. It is recognized that local political, economic, cultural, and population factors differ markedly both among and within countries. Education is sensitive to all of these factors and cannot be out of harmony with them. Washington does not desire to place rigid priorities on various categories of educational activities, but requests that projects be justified in accordance with the following suggestions, in addition to those indicated above in General Considerations:

1. To what extent does the education program advance universal common school education within the country?

2. To what extent does the education program advance adult education (especially in countries where formal schooling is inadequate)?

3. To what extent does the education program provide for the training of specialists, sub-professional and professional workers, competent to take leadership in enabling the people to meet their problems?

4. To what extent is the education program in harmony with educational philosophy supported by leaders in education in the United States?

IV. TRANSPORTATION

IV. TRANSPORTATION AND COMMUNICATIONS

The lack of transportation facilities, including highways, railways, airplanes, ships, and ports, and communication facilities are serious impediments to agricultural and industrial development. Although it is frequently the case that major public and private investments must be made in these fields, the scarcity of locally trained personnel is often a bottleneck in the efficient use of existing facilities. One or two U.S. experts working with native technicians, in any of these fields important in a particular country, should furnish an opportunity for the extension of these skills.

V. INDUSTRY AND MINING - (including Labor)

A. Industry

Our cooperative efforts to assist other nations to increase their standards of living must inevitably give attention to industrial matters even though their economies are largely agricultural at present. Industry and agriculture are interdependent, and any effort in the agricultural sector must be accompanied by activity in the industrial sector, even if this be only in the field of small processing industry.

We should ordinarily look to private enterprise for industrial development. Governments can, however, provide essential services for the development of industry. Generally, there is a lack of background information which is essential to sound planning. Census materials, national accounting, and basic surveys are needed. It is an appropriate function of Government to fill this vacuum. One or two technicians working jointly with local specialists should be able to establish these essential services. In addition, laws, rules, regulations, and various forms of taxation promulgated by governments have a very definite effect upon industrial development. The nature of laws and regulations, and the manner of their administration, have a bearing upon the rate of progress in the development of the country. Advisers in public administration can offer valuable assistance in this field.

Although local private capital for industrial development is generally scarce and the interest of foreign private capital may be limited, industrial development gains great momentum from the creation of a favorable climate for investment. Credit for small industries, if available at all, is generally at extremely high rates of interest and on very short terms. Industrial advisers can be most valuable in assisting government and industry to create credit facilities to meet at least a portion of this need.

Industry is often greatly handicapped by the lack of technical and managerial know-how. The technical assistance program can properly assist in this area. Ordinarily this can best be accomplished through contracts with private agencies. The volume of this work should always be kept at a minimum with the emphasis upon helping the industries to acquire their own technical assistance.

An especially important area for development is that of small industries. These industries can be associated closely with community development activities and may include such activities as food processing, tool manufacture, and cement production. Another type of small industry worthy of encouragement is the manu-

facture of

facture of items needed to carry forward technical assistance programs, for example, biologics for the medical program. The small industries can contribute to the growth of the rural community by aiding in the progress of agricultural productivity, and by providing employment for those displaced by modern agricultural technology. The planning, scheduling, and operation of these small-scale activities requires special care and attention.

Finally, the creation of a sound and friendly climate for business and industry will frequently have a great attraction for foreign capital. A host government may be able to use advisers experienced in the field of industrial and government relations to help bring about such conditions.

B. Mining

The development of both metallic and nonmetallic minerals may be of extreme importance, particularly in those countries having extensive mineral deposits, to the economic development of the country. The minerals such as fuel and building materials may be required to affect directly the level of living of the people whereas other minerals may form a basis for industrial development or for foreign trade. Assistance now being offered in the exploration, evaluation, extraction and preparation for utilization of a specific fuel or mineral deposit should be given primary emphasis. Secondary emphasis within the limits of your budget may be given to general minerals surveys designed to locate deposits as yet unknown. The use of such tools as aerial photography and mapping in connection with general explorations should be limited to that extent of terrain which can be reasonably explored and developed on the ground in a period of two to five years.

Technical assistance which may result in improving the financial climate (including laws governing exploration and mining) for private minerals development should also be given priority.

See Section 2060, Mineral Resources, Volume 3, of the TCA Manual of Policy and Operations.

C. Labor

The field of labor and manpower has a direct and significant relationship to all other fields of technical assistance. Therefore, the keystone in the Country Mission for the labor and manpower program, as a general rule, should be an effective general advisory service. Usually one broad-gauged labor-manpower specialist would provide such service for a particular country. With this service as a foundation, and in keeping with the broad considerations of the country program, sound plans would be developed for appropriate projects relating to such matters as industrial training, labor productivity, labor-management relations, employment security, industrial safety, workers' education, trade union administration, labor statistics, and labor law administration.

Primary consideration should be given to making provision for advisory and consulting facilities for the pur ose of appraising the labor and manpower needs of the economy, evaluating such needs in the light of technical assistance programs in other fields, and making pertinent recommendations. This is not to be interpreted, however, as minimizing the importance of trainee programs in the labor and manpower field which have been emphasized in the past. See Section 2140, Volume 3, of the TCA Manual of Policy and Operations.

VI. PUBLIC

VI. PUBLIC ADMINISTRATION

Programs and projects in the field of public administration are aimed at helping the participating governments to improve their governmental operations. Such improvements are essential to help the participating countries to reach the stage where they can take over for themselves the operations on which they are currently being helped by the United States; to help make more effective the technical assistance being given in other fields such as agriculture, health and education; to help these governments reach the stage where they can render effective governmental services for the people of the country; and to encourage private capital investment which is based in part on the efficiency and stability of the government concerned.

Experience has shown that the first and most important step that can be taken to improve public administration through technical cooperation is to establish the position of public administration consultant on the staff of the country director. A qualified person filling such a position can work with appropriate host government officials to determine the major public administration problems of the country and to develop a program for solving them. He can also advise technicians in other fields (agriculture, health, education, et cetera) on the public administration aspects of their work and can assist in the selection of persons to be trained in public administration either in the United States or at appropriate regional or national centers. In many cases he can also help the country to improve its own public service training facilities.

Secondly, every attempt should be made to provide for training grants in the field of public administration to appropriate officials. Such officials, after a period of training in the United States or elsewhere, can return to their countries to promote further work in improving the public service.

Thirdly, specific projects in public administration, when requested, can prove to be extremely beneficial. Such projects, even when narrowly defined, if successfully carried out often lead to requests for help on broader and more basic problems. In many countries initial requests for help on specific public administration projects have come in the field of public finance (e.g., budgeting, central banking, tariffs and customs).

Section 2150 of Volume 3 of the TCA Manual describes in some detail guides for programming in the field of public administration and methods for carrying out projects in this field. The principal public administration goals for most underdeveloped countries are set forth in Section 2153.

VII. GENERAL AND COMMUNITY DEVELOPMENT PROJECTS - (including Housing)

A. Community Development

Community development process - that is, the process of getting the people themselves involved in planning and carrying out activities to improve their own conditions of life and to make use of available technical assistance - is of central importance in the entire TCA program. Things done for people often prove not to be permanent; whereas technical assistance, rendered at the request of self-motivated and well-organized community groups already working at the task of solving their own problems, is generally very effective.

Community development programs require the coordination of technicians from many fields - usually agriculture, health and sanitation, education, social welfare and other social activities and often also industry. The administrative organization may provide for a central ministry or department as the channel for services in all fields to the community or coordination may take place at a lower level.

In general "a community development" approach performs the following special functions:

(a) Provides a framework for ensuring a coordinated approach to community development.

(b) Provides an opportunity for the people to plan and carry out self-help activities.

(c) Develops local leadership and the capacity of the community to carry on development programs after outside assistance is withdrawn.

(d) Serves as a channel for reaching the people with technical assistance and services available from the government and other sources.

The process of community development is receiving greater recognition as requiring special skills and experience. Each TCA mission should have at least one staff specialist in community development <u>process</u> to advise TCA staff and to train nationals in this work. All specialists, however, regardless of field of work, should have some understanding of the process.

The leader or specialist in group action and community development from outside the immediate community has an important role in stimulating and helping group action and in bringing in new ideas and a new approach to community problems. This function must in the long run be performed by nationals and the function of TCA in such programs is to assist the national government to train local workers and to give them the necessary backing.

In planning community development programs the need for assistance in small industries should be carefully considered. These can serve a two-fold purpose by helping to meet the problem of unemployment and under-employment in rural areas and by providing indigenous sources of materials needed in other programs. The technical cooperation program can properly assist in the development, and scheduling of such industries. Drawings and plant designs can be developed based upon the needs and resources of particular countries. Inventories of resource potentials can be made to assist in proper scheduling of industries. The proper direction for industrial growth is a difficult problem and requires careful, though imaginative study.

B. <u>Housing</u>

Since the conditions in the several countries where Point 4 assistance in housing may be considered varies widely, country directors and their staffs should explore to the fullest the host government's ideas and their felt needs rather than any pattern developed herein. Where progress in housing has been limited or where a government anticipates a new approach, the housing group

method

method may well be suitable. This is a type of project which provides for general advice in the field of housing and includes in the group the several specialists (architects, planners, economists, and advisers in aided self-help, finance, management, legislation, construction methods and materials) thought most effective in dealing with the housing problems of the host country. TCA assistance can consist of the following:-

1. Advisory services to governments on matters pertaining to housing legislation, and the establishment of housing and community planning agencies.

2. Activities which will encourage and assist the country to improve housing through more effective use of its own resources of money, materials, and manpower. The aided self-help shelter improvement method is a highly regarded solution for housing low-income families.

3. Activities which will include housing improvement as part of a coordinated program of community development.

4. Advisory services on shelter improvement programs reaching large groups by slum amelioration, contemplating better drainage, water supply, fire protection, schools, community facilities, and housing finance.

5. Services in the organization of trainee programs both for political and social leaders interested in or likely to be concerned with housing or community development as well as with professional and technical people in allied fields -- housing design, materials and construction methods, and management.

6. In general, the trend should be away from broad surveys or reports. In view of the obvious housing need, such reports seem warranted only where a substantial program is in view and its details of design are to be predicated on survey results. Limited preliminary surveys by housing generalists aimed at the development of a project in the field of housing are nonetheless advisable.

August 13, 1953

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Program objectives

CIRCULAR AIRGRAM

Control 2292
October 23, 1952
8:50 a.m.
(recd AmEmbassy Jidda
Nov.2, 1952)

5 copies to Beirut

PRIVATE INVESTMENT PROGRAM IN TCA COUNTRIES

To Certain American Diplomatic Officers

1. It has become increasingly clear that the success of our Point 4 efforts in underdeveloped countries depends in large measure upon increased investments of private capital from the U. S., other capital exporting countries, and from local sources. There is agreement in the Executive Branch that a considerable part of our total effort in the Point 4 program must be directed to this end. The investment of private funds from capital exporting countries, particularly from U. S., has the added advantage in most cases of providing managerial and technical know-how to industrial development and will favorably affect the world dollar situation.

The Congress has recently reemphasized its interest in efforts to make wider use of private enterprise in the foreign assistance program, and DMS has asked all agencies concerned to cooperate in an intensified program. TCA and the Department of Commerce will pool their resources to carry out a joint program.

This circular airgram should of course be read in the light of activities already underway in your area, as well as in the light of local political conditions.

2. It is agreed that in the beginning this intensified program will consist, in the main, of the following three principal parts:

(a) The encouragement of conditions favorable to private investment, both local and foreign.

(b) The identification of specific opportunities for investment, and location of interested investors.

(c) The assembly and dissemination of country background information necessary to foreign investors.

The various phases of the program must of course be integrated, and the closest collaboration will be required among the Missions, including the Point 4 staff, the Department of State, including TCA/W, and the Department of Commerce, and its Field Offices.

Opportunities for investment abroad must be presented to private businessmen, both local and foreign, in the most specific terms possible. The assembly of background information on a country by country basis will provide potential U. S. investors with competent and reliable data as to the conditions and circumstances under which a private enterprise can be established and conducted. This information is also useful in efforts to develop a more favorable atmosphere for private enterprise, and will help in negotiations with the host country on specific restrictions which adversely affect the investment of domestic and foreign private capital, and in negotiation of international agreements, such as Treaties of Friendship, Commerce and Development, investment guaranty agreements, and tax treaties.

3. In the field the Mission, working with the host government, local business groups and individual businessmen, will be responsible for identifying and developing specific information on opportunities for investment, assisting in supplying background information, and in carrying out negotiations with the host government in an attempt to make the investment climate more attractive. To carry out this program, it is suggested that all officials of the Mission, including Point 4 staffs, should be instructed to keep in mind constantly the desirability of encouraging private participation in developmental activities of all kinds.

The economic section of the Mission should intensify the work it has regularly carried on in this field. In addition, the Country Director for Technical Cooperation should appoint a member of his staff who will be responsible for the private investment phase of the Point 4 activities (ordinarily this will be the Industrial Advisor where there is such a position; where there is a definite and active interest on the part of the country, it may prove desirable to appoint a special assistant or adviser for this purpose). It is intended that the work of the Point 4 staff in this field should supplement the work of the economic section, but not supplant or duplicate it. It will be the responsibility of the Mission Chief to work out means of coordinating the Mission's total activities in this field.

In compliance with Foreign Service Economic Reporting Circular No. 31 of July 20, 1951, the Economic Section of the Mission, with the assistance of the Point 4 staff, should report the necessary details of specific opportunities for private U. S. investment. The cooperation

of

of local private business groups should be solicited for the collection and exchange of information about investment opportunities. Assistance can and should be provided to officials and local businessmen in the development of effective methods for presenting investment opportunities.

Emphasis should be placed upon reporting all background information which would be valuable to U. S. Agencies in Washington and to private businessmen in connection with the investment program. The Point 4 staff should contribute to and supplement regular Foreign Service reporting with special reports covering specific items or factors affecting private investment which come to their attention in the course of their regular activities. Value of information concerning positive achievements of foreign private enterprise for dissemination in other areas should be kept in mind.

All means of furthering private enterprise through jointly agreed technical assistance projects should be explored. Of particular long-range importance are projects designed to facilitate private investment through advice in such fields as government fiscal policies and administration, tax laws, mining and corporation laws, etc., and through advice and possibly joint action with respect to improvement of credit facilities and establishment and strengthening of institutions directed at channeling private capital into approved development enterprises.

Special consideration must be given to the encouragement of private capital to undertake economic development where feasible and to discourage the use of public funds, particularly U. S. public funds, in areas where private capital can possibly be induced to undertake the development.

The Mission may find it possible to work with the foreign government in creating interest in increasing private investment, foreign and local, directing attention to the benefits, both social and economic, which private enterprise has brought to other areas and pointing up ways in which private enterprise could further national policy on terms consistent with the government's objectives.

4. In Washington TCA/W and the OIT in the Department of Commerce will be responsible for making information supplied from the foreign Missions available to interested business concerns, will assemble and disseminate background information regarding conditions and circumstances

for

for investment in specific countries, and will assist in preparing for treaty and other types of negotiations in the interest of improving the investment climate. In certain cases Washington staff members may be made available for temporary work with country Missions in developing background information and other aspects of the program.

Specific information on investment opportunities and general background information will be made available to the American business community by a variety of means. The 43 Department of Commerce field offices provide a useful facility for this purpose. The various publications of the Department of Commerce and other means of communication will be fully utilized. It is intended also to arrange investment clinics and investment institutes on particular countries or regions and to carry on a substantial program of private consultation and counseling. This last is to be employed extensively not only in connection with investment opportunities reported from abroad, but also in connection with requests originating from U.S.businessmen for advice and assistance in establishing business abroad.

5. Plans are being made to send a small team of highly qualified experts composed of Government and private business representatives to two or three countries where it appears most feasible to especially emphasize the investment program to assist the Mission in developing such a program.

Consideration has also been given to the possibility of contracting with private U. S. firms of consulting engineers or industrial research development institutes to assist the host Government in the identification and analysis of specific investment opportunities and the preparation of brochures suitable for serious consideration by private investors. Such private agencies might also, in a normal business fashion, bring this material to the attention of businessmen and firms likely to be interested.

6. The Department is of course aware of the delicacy of this subject in many countries. Every effort must be made to avoid giving impression that we are seeking to force United States capital on unwilling customers. We are certainly not, nor will we be, interested in doing this. On the other hand, forward steps in this field must not be suspended simply for fear of attacks from pro-Communists, et cetera. In considering steps to be taken, you should bear in mind that the Congress regards this phase of the Point 4 program as of equal importance with the governmental assistance phase. The possibility that no substantial success will be achieved along these lines in particular country is not regarded as a sufficient reason for taking no action.

7. Comments by the Missions on the general aspects of this proposal and on the feasibility of either suggestion in paragraph 5 are urgently requested, including an outline of plans for carrying out these activities and suggestions for the improvement of this proposed joint program.

BRUCE (Acting)

Program.

PRINCIPLES RELATED TO FIELD PLANNING OF POINT 4 PROGRAMS

1. The following principles should be kept in mind by the Point 4 field staffs in connection with program planning:

(a) The United States helps the governments and peoples of under-developed countries, at their request, to develop the administrative and technical competence that will enable them to continue, on a permanent basis with their own resources, economic development activities initiated or improved as a result of the technical cooperation program.

(b) The Point 4 Program in any given country must always be cooperative and essentially that country's program. It must never become a "U.S. show." A basic objective in every activity must be for the U. S. side to work itself out of, and the local side to work itself into, a job.

(c) During its initial phase, the Point 4 Program will usually concentrate a major portion of its resources on the improvement of the basic public services related to agriculture, health and sanitation, education, government administration and preliminary natural resources and industrial surveys which are normally a prerequisite of sound, long range economic development. The reason for this is that in most under-developed countries those basic services are obviously deficient, and the governments in most instances have requested, need, and welcome U. S. cooperation in improving them.

2. The economies of under-developed countries normally have several definable characteristics which to a large extent determine the nature of the Point 4 Program. Some of these are:

(a) An excessive proportion of the population on the land, depending upon agriculture or livestock raising for a living, and using inefficient, antiquated and destructive land and water use practices. These result in low productivity, widespread rural areas, and in the eventual destruction of the land and water resources.

(b) An industrial base which is oftentimes incipient and inefficient, resulting in high cost production, low wages and widespread urban proverty. This is especially true of those industries producing for local consumption, because the mining, petroleum, and specialized agriculture industries, producing for export, are relatively efficient, and usually foreign owned.

(c) A distribution and marketing system which is inefficient as a result of poor transportation and antiquated commercial practices.

(d) A labor

(d) A labor force for agriculture and industry which tends to be inefficient because it is untrained, unhealthy, and suffering from malnutrition. This inefficiency, coupled with poor management, underlies deficient agricultural and industrial productivity.

(e) The governments of nearly all the under-developed countries recognize the general nature of the problem, and most of them are making a strong effort to develop economically by:

(1) Improving their basic services in health, education, and agricultural extension and experimentation.

(2) Improving their economic development planning.

(3) Sponsoring public highway and power development.

(4) Sponsoring industrialization.

(f) The governments of nearly all under-developed countries are handicapped in their economic development efforts by two distinct problems:

(1) The budgets available for their basic services and public works are inadequate.

(2) The inadequate budgets tend to be inefficiently used.

All of these characteristics, if present, are important in planning any given country's Point 4 Program. The program planning procedures used should provide a framework which will take them into account.

3. Characteristically, under-developed countries lack not only technically qualified personnel in the different fields, but also the administrative structure required to utilize such personnel effectively. Usually, they also lack the administrative competence necessary to plan and organize a technical cooperation program so that it will, in fact, build up local "know how." For that reason, the Point 4 program itself will normally need to assist the host government in developing an organizational structure that will enable U.S. and local technicians, working together as a team, to plan and carry out effective technical programs, and to organize them in such a way that the host government will indeed be able to take them over eventually. This will be possible only if the Point 4 activities are organized to conform with the host government's administrative structure. The functional programs must be planned so that together they constitute an integrated country program, specifically designed to supplement and bolster the country's own economic development efforts.

4. The development of such integrated programs requires effective planning in the field at every level and for each functional component of the total program. Therefore, program planning must be regarded as an essential element of field operations.

5. The correct

5. The correct evaluation of the country programs depends to a large extent upon adequate reporting. Foreign Service Point 4 Circular # 6 of May 15 sets forth a provisional and general outline for the country Monthly Operations Report. The projection of adequate program plans will provide a more accurate basis for reporting since it will become essentially a report on compliance with the plans.

6. To provide a basis of comparison it is necessary that the same procedures, with adaptation to local conditions, be used in all the countries.

7. The field program planning and reporting process itself will provide the specific materials for the presentation and justification by TCA of the annual combined country and regional budget requests to the Bureau of the Budget and the Congress.

8. Point 4 Program Planning and Program Operation are two phases of a continuous process. Both phases require the active participation of all staff members, whether U. S. or local, as well as the officials of the host government. The Country Director will be responsible for giving leadership to the program planning phase as well as to the operations phase of the program. In addition, the Director must provide the basic data, including an analysis of the country's economic development program and the relationship of the Point 4 program to it, to the different substantive specialists on his technical staff, to guide them in planning, within the framework of the Country Program, their own portion of it.

9. At the beginning of a program planning period, each Country Director will be informed of the amount of U.S. funds available for his program for that fiscal year. He will be authorized to project the U.S. portion of his country program plans against that specific amount of funds. This amount will include the two contributions which the U.S. makes to a cooperative program:

(a) The salaries and expenses of the U.S. technicians, and

(b) the operating funds contributed by the U.S.

(The latter item includes the U.S. contributions to joint funds or other U.S. funds used for off-shore procurement of supplies and equipment, procurement of local supplies and equipment, and the wages and salaries of local personnel.) The Country Director, together with an appropriate counterpart in the host government, will then be in a position to allocate specific sums of the U.S. and host government contributions and the other local contributions whether in cash or kind to the different components of the Country Program. Each component can then be planned against that specific amount.

10. At the same time each Country Director will be informed of the amount of funds that TCA will request for his country for the subsequent fiscal year, and the country staffs will project the firm program planned for the current fiscal year into a request and justification for the program for the subsequent fiscal year.

11. Specifically,

11. Specifically, during the next fiscal year period (July 1, 1952 to June 30, 1953), the program planning process will include the following phases:

(a) The projection of a General Long Term Point 4 Program for each country, with only general estimate of the time schedule, funds and personnel required to achieve the stated objectives of the program.

(b) The projection of a Long Term Program for each substantive component of the Country Program, also with only general estimates of the time schedule, funds and personnel required to achieve the stated objectives of the program in that field of activity.

(c) The preparation for the fiscal year period July 1, 1952 to June 30, 1953, (FY 1953), of an Annual Plan of Work for each Country Point 4 program on the basis of the specific amount of U. S. funds available to the country. It will include a specific breakdown and tabulation of the program components, and the funds required for the various elements in each component. (U.S. personnel, trainees, supplies and equipment, local costs.)

(d) The preparation for FY 1953 of an Annual Plan of Work for each substantive component of the Country Point 4 program, projected in terms of the specific amounts allocated by the Country Director and his counterpart in the host government, and within the framework provided by the Country Annual Plan of Work. This plan will include a detailed description of each of the projects which together constitute the program in that field of activity for 1953, and a breakdown of the funds allocated to it.

(e) The projection of the Budget Request and Justification for the FY 1954 Country Program, on the basis of the FY 1953 Annual Plans of Work.

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DEPARTMENT OF STATE
WASHINGTON

FOREIGN SERVICE
POINT 4
CIRCULAR NO. 4
MAY 5, 1952

UNCLASSIFIED

AIR MAIL URGENT

SUBJECT: Basic Operating Policies for Formulating Point 4 Programs

1. Purpose

1.1 This circular establishes some basic operating policies that will guide the officers of the Technical Cooperation Administration, both in Washington and in the field, in the formulation of Point 4 programs in underdeveloped countries.

1.2 Assistance to underdeveloped countries in developing their economies is given not only by the Government of the United States in the bilateral technical cooperation program but also by the United Nations, by other governments, and by private industry. This circular is concerned only with the bilateral technical cooperation program.

2. Basic Objective

The fundamental objective of the Point 4 program is to assist the governments and peoples of underdeveloped countries, on their request, in developing their economies and improving their standards of living. The assistance is to be given in such a way that it will encourage and strengthen the efforts of the underdeveloped countries to do this themselves. We offer, therefore, not gifts, but cooperation. Through this type of cooperation we seek to encourage the growth of democratic institutions in the underdeveloped countries and to promote mutual respect and friendship between their governments and peoples and ours.

3. Fields of Activity

3.1 We should encourage the governments with whom we are cooperating to concentrate their major efforts in this program in the basic fields of agricultural development, public health and sanitation, and elementary and vocational education. Only through the development of a

strong agricultural economy, a broad public health system, and an effective elementary and vocational education system can an adequate basis be built for the economic development of an entire country. In addition to these basic activities, we should encourage the development of mineral and other natural resources, the improvement of industrial techniques, the establishment of new industries on a pilot plant or demonstrational basis, and the development of government services essential to these activities.

3.2 Point 4 programs may include assistance in other fields related to economic development, when the host government so desires, but even such assistance should, so far as possible, be so organized as to supplement and support the cooperative program in the fields listed above.

3.3 It follows from these policies that the projects to which we should give greatest priority and emphasis are those that will increase food production; provide a healthier diet; open additional lands to cultivation; improve methods and techniques for producing, storing, processing, transporting, and marketing food and other products; introduce improved strains of agricultural commodities and livestock; improve agricultural credit; develop farm-to-market roads; control contagious diseases and those that debilitate the working population; develop a broad public health, preventive medicine program; provide safe water supplies and sanitary sewage disposal systems; develop nation-wide systems of elementary and vocational education, with particular emphasis on reducing illiteracy; improve techniques in mining and industry; promote increased trade with other countries to make possible the importation of goods the host country cannot produce for itself; and improve methods and techniques in public administration.

4. <u>Techniques of Cooperative Administration</u>

4.1 We should seek to achieve our broad purposes in all these fields of activity in such a way that it is not we who do these things for the governments and peoples of the host countries, but rather they who do these things for themselves, with our cooperation as partners in a joint effort.

4.2 There should be established in each host country a pattern of administration that makes it possible for the administrators and technicians of the United States to work jointly with the administrators and technicians and peoples of the host countries in program planning, project administration, program financing, and program evaluation. We shall not be able to realize this ideal in every case from the very beginning. We should work toward this goal, as may be proper

and feasible in the particular case. In any event, however, it is not our responsibility or purpose to do things for the host countries through operations wholly controlled and administered by the representatives of the United States.

4.3 We shall make available to you later material and forms of agreements that will describe the ways in which "cooperative services", "joint funds", and other devices can facilitate the establishment of such patterns of cooperative administration.

5. Grants of Funds, Materials, Supplies, and Equipment

5.1 The Point 4 program, in its essential character, is not intended to be a supply program or a big grant program. It is not intended to supplant, or to compete with, such sources of capital for investment purposes as government, private, and international banks, private investors, or the resources of the host government.

5.2 One of the principal objectives of the Point 4 program in each country is to assist in establishing the kind of economic, social and cultural base that will encourage public and private investors and lending institutions to make capital available for agricultural and industrial development, but it is not intended that the capital for such development is to be made available as a part of the Point 4 program itself.

5.3 Grants of funds, materials, supplies, and equipment will, however, be included in Point 4 programs, within the limits of the appropriations made available for the program by the Congress, in order to give the administrators and technicians sent to the host countries by the United States material to work with, and in order to make possible a jointly-financed program. Substantial amounts of such grants have been included in Point 4 programs in the past, and may be included in such programs hereafter, in cases where an examination of all the relevant facts makes it wise for the United States to assist the host government in making more rapid progress in the initiation or extension of program activities than would otherwise be possible. It is neither necessary nor wise to attempt to establish fixed ceilings on the amounts of grants in the form of funds, materials, equipment and supplies that may be made available for particular operations. The important policy to be observed in this respect is that the grants themselves are never to be the central object or purpose of the program, but are

made available only in order to make the work of the technicians more broadly effective, within a jointly-financed operation, and to make possible the attraction of other public and private sources of capital for investment purposes. The provisions of the Act for International Development (Public law 535, 81st Congress), and the legislative history of the act, have established this policy for the program on a firm base.

5.4 During the fiscal year 1952 very substantial grants in the form of materials, equipment and supplies have been made available for the Point 4 programs in Iran, India, and Pakistan, and even larger grants of such materials have been recommended by the TCA for these countries for the fiscal year 1953. These are exceptional cases, made advisable by unusual political and economic circumstances. They must not be regarded as defining the pattern for a Point 4 program.

5.5 During the fiscal year 1952 TCA was directed by Congress to administer a special program for refugee relief and resettlement in Israel. Fifty million dollars' worth of supplies and materials were made available to the government of Israel for these purposes. Similarly, during 1952, TCA administered a special wheat supply program in Jordan. Neither of these programs was carried out under the Act for International Development, and neither was a Point 4 program. When TCA is called upon to administer such special economic assistance under separate legislation, it is important that those operations shall not be confused with the purposes and policies of the Point 4 program.

5.6 Representatives of the United States participating in a Point 4 program can assist the host government to obtain capital for agricultural and industrial development in the following ways, among others: (1) they may advise and assist it in making suitable application to public and private sources of funds for capital investment; (2) as an inducement to lending agencies to make such funds available, they may give technical services to the governments in the administration and expenditure of loans made by the International Bank for Reconstruction and Development, by the Export-Import Bank of the United States, and by other lending agencies; and (3) in some cases, certain preliminary or initial stages of a large scale development, such as the making of a survey, or the completion of tests or models, may themselves properly constitute a Point 4 project, when it is understood that the development capital is later to be obtained from other sources.

6. Contributions to be made by the Host Government

6.1 Section 407(c) of the Act for International Development provides that assistance shall be made available by the United States only when the host country "pays a fair share of the cost of the program".

6.2 It is the general policy of the Technical Cooperation Administration that each host government should contribute, during the first year or two of the life of a cooperative program, at least as much, valued in its own currency, in the form of cash, materials, supplies, and services, as the United States contributes. Thereafter, the contribution of the host government should be expected to increase gradually so that the relative contribution of the United States becomes steadily smaller. In many cases it should be possible for the actual contribution of the United States likewise to become smaller. Exceptions have been and may be made, where a consideration of all the relevant facts makes it desirable to initiate or continue a program with a smaller contribution from the host government than is required by the ratio of 1 to 1. In a few cases, this year, programs have been initiated with practically no financial contribution from the host government because of local conditions, on the assumption that an adequate host government contribution would soon be made available. It is essential to the inherent character of the Point 4 program that the bulk of the costs of the program over a period of years should be borne by the host country from its own revenue, supplemented by its borrowings and by investment from abroad.

6.3 A circular will be issued in the near future to establish procedures for measuring the contribution of the host government and for reporting such contributions to the Washington office.

7. Other Applicable Policies

7.1 This circular has not attempted to define all of the basic policies of the program. Additional circulars discussing other fundamental policies will be issued from time to time.

7.2 Attached is a statement quoting the various sections of the Act for International Development and the Mutual Security Act of 1951 which have established, as a matter of law, certain policies that are to govern all operations in the Point 4 program.

ATTACHMENT:
Appendix 1.

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Appendix 1 to Point 4 Circular No. 4. Declarations of Policy Contained in (a) the Act for International Development, and (b) the Mutual Security Act of 1951.

I. The Act for International Development. (Public Law 535, 81st Congress, Approved June 5, 1950.)

Sec. 402. The Congress hereby finds as follows:

(a) The peoples of the United States and other nations have a common interest in the freedom and in the economic and social progress of all peoples. Such progress can further the secure growth of democratic ways of life, the expansion of mutually beneficial commerce, the development of international understanding and good will, and the maintenance of world peace.

(b) The efforts of the peoples living in economically underdeveloped areas of the world to realize their full capabilities and to develop the resources of the lands in which they live can be furthered through the cooperative endeavor of all nations to exchange technical knowledge and skills and to encourage the flow of investment capital.

(c) Technical assistance and capital investment can make maximum contribution to economic development only where there is understanding of the mutual advantages of such assistance and investment and where there is confidence of fair and reasonable treatment and due respect for the legitimate interests of the peoples of the countries to which the assistance is given and in which the investment is made and of the countries from which the assistance and investments are derived. In the case of investment this involves confidence on the part of the people of the underdeveloped areas that investors will conserve as well as develop local resources, will bear a fair share of local taxes and observe local laws, and will provide adequate wages and working conditions for local labor. It involves confidence on the part of investors, through intergovernmental agreements or otherwise, that they will not be deprived of their property without prompt, adequate, and effective compensation; that they will be given reasonable opportunity to remit their earnings and withdraw their capital; that they will have reasonable freedom to manage, operate, and control their enterprises; that they

will enjoy security in the protection of their persons and property, including industrial and intellectual property, and nondiscriminatory treatment in taxation and in the conduct of their business affairs.

Sec. 403. (a) It is declared to be the policy of the United States to aid the efforts of the peoples of economically underdeveloped areas to develop their resources and improve their working and living conditions by encouraging the exchange of technical knowledge and skills and the flow of investment capital to countries which provide conditions under which such technical assistance and capital can effectively and constructively contribute to raising standards of living, creating new sources of wealth, increasing productivity and expanding purchasing power.

(b) It is further declared to be the policy of the United States that in order to achieve the most effective utilization of the resources of the United States, private and public, which are or may be available for aid in the development of economically underdeveloped areas, agencies of the United States Government, in reviewing request of foreign governments for aid for such purposes, shall taken into consideration (1) whether the assistance applied for is an appropriate part of a program reasonably designed to contribute to the balanced and integrated development of the country or area concerned; (2) whether any works or facilities which may be projected are actually needed in view of similar facilities existing in the area and are otherwise economically sound; and (3) with respect to projects for which capital is requested, whether private capital is available either in the country or elsewhere upon reasonable terms and in sufficient amounts to finance such projects.

Sec. 407. In carrying out the programs authorized in section 405 of this title--

(a) The participation of private agencies and persons shall be sought to the greatest extent practicable.

(b) Due regard shall be given, in reviewing requests for assistance, to the possibilities of achieving satisfactory results from such assistance as evidenced by the desire of the country requesting it (1) to take steps necessary to make effective use of the assistance made available, including the encouragement of the flow of productive local and foreign investment capital where needed for development; and (2) to endeavor to facilitate the development of the colonies, possessions, dependencies, and non-self-governing territories administered by such requesting country so that such areas may make adequate contribution to the effectiveness of the assistance requested.

(c) Assistance shall be made available only where the President determines that the country being assisted--

(1) Pays a fair share of the cost of the program.

(2) Provides all necessary information concerning such program and gives the program full publicity.

(3) Seeks to the maximum extent possible full coordination and integration of technical cooperation programs being carried on in that country.

(4) Endeavors to make effective use of the results of the program.

(5) Cooperates with other countries participating in the program in the mutual exchange of technical knowledge and skills.

II. The Mutual Security Act of 1951. (Public Law 165, 82nd Congress, Approved October 10, 1951.)

Sec. 2 The Congress declares it to be the purpose of this Act to maintain the security and to promote the foreign policy of the United States by authorizing military, economic, and technical assistance to friendly countries to strengthen the mutual security and individual and collective defenses of the free world, to develop their resources in the interest of their security and independence and the national interest of the United States and to facilitate the effective participation of those countries in the United Nations system for collective security. The purposes of the Mutual Defense Assistance Act of 1949, as amended (22 U.S.C. 1571-1604), the Economic Cooperation Act of 1948, as amended (22 U.S.C. 1501-1522), and the Act for International Development (22 U.S.C. 1557) shall hereafter be deemed to include this purpose.

Sec. 516 It is hereby declared to be the policy of the Congress that this Act shall be administered in such a way as (1) to eliminate the barriers to, and provide the incentives for, a steadily increased participation of free private enterprise in developing the resources of foreign countries consistent with the policies of this Act, (2) to the extent that it is feasible and does not interfere with the achievement of the purposes set forth in this Act, to discourage the cartel and monopolistic business practices prevailing in certain countries receiving aid under this Act which result in restricting production and increasing prices, and to encourage where suitable competition and productivity, and (3) to encourage where suitable the development and strengthening of the free labor union movements as the collective bargaining agencies of labor within such countries.

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EMBASSY OF THE UNITED STATES OF AMERICA
SEP - 4 1952
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FOREIGN SERVICE
POINT 4
CIRCULAR NO. 21
AUGUST 13, 1952

SUBJECT: Program Guide for Home and Community Services

1. Purpose

This circular provides guidance to country directors and their staffs in developing and carrying out Point 4 programs and projects in the field of home and community services.

2. Introduction

2.1 Improvement of the human resources of underdeveloped areas requires continuing consideration of the social aspects of development programs. The benefits of the Point 4 program should in the long run reach all elements of the population, including women, youth, depressed classes, and non-productive groups. All elements of the population can be reached through community development programs. Such programs should be concerned with all the basic aspects of community and family life. These programs to be effective should be undertaken on a cooperative basis by communities or groups within the communities. Community development programs can not only bring benefits of technical assistance to all members of a community, but also can make, through group participation, these benefits part of community life and can give them necessary social support.

2.2 Adequate attention should be given to the social development and social effects accompanying economic development. The Point 4 program should be conscious of social problems arising out of the inevitable changes in the way of life that are part of the adjustments to economic and technological change. Assistance for social development and for meeting social problems should be made at the national and community levels. The approach and methods of this assistance should be based on the cultural patterns, social organizations and conditions of each country.

2.3 Technical assistance in developing home and community services will consist chiefly in furnishing specialists to aid and advise governments on developing community self-help programs, on preventing and dealing with social problems involved in economic development, on establishing or strengthening social welfare programs and related community services, and in assisting governments to train workers and to carry out specific programs in these fields.

3. General Objectives of Home and Community Services Programs

3.1 The first goal of home and community services programs is to enable all elements of the population to carry on group or community-sponsored activities to support their economic development, to meet economic and technological changes, and to improve their general social welfare. Group or community-sponsored activities should coordinate total technical cooperation programs within communities into a total integrated development of community life. The basic philosophy of these activities is self-help, self-directed in character, with only minimum stimulation and guidance from outside sources.

3.2 The second goal of home and community services is to provide technical cooperation in the field of special social problems either already existing or arising out of social dislocations brought about by economic changes. Technical assistance in this field should be geared to the social conditions and problems peculiar to the society of the country concerned.

4. Components of Home and Community Services Programs

4.1 TCA assistance in home and community services should include the types of specific programs outlined in the following paragraphs.

4.2 Advisory Services Regarding Social Problems. To assist in advising on prevention of social problems and improvement of general welfare and to provide services of experts to study social effects of these development programs; to plan ways of avoiding possible resultant social problems; and to aid and advise on establishing or strengthening social welfare programs and related community services. Specialists would assist in programs of:

(a) Home development, family life, and child welfare;
(b) Social Security to meet needs of the aged, the unemployed and the handicapped;
(c) Prevention and treatment of delinquency growing out of family disorganization and urbanization;
(d) Rehabilitation of unproductive groups such as the handicapped and refugees resettling in new countries.

4.3 Assistance in Promoting Local Community Organizations to Undertake Self-Help Activities in Community Life. Such organizations may act as a channel for technical assistance from outside sources and assure a coordinated approach to community development and the full and continuing participation of all segments of the population. The coordinated

approach to self-help activities can be achieved through a number of different methods. Two methods which have been experimented with are (a) the use of multipurpose village level workers, who are given training in the elements of the basic fields of agriculture, health, and education and in skills and methods of leadership and working with people, and (b) the establishment of rural social centers directed by staff, who, in addition to training in a basic field such as agriculture, also have some training in social group work and community organization.

4.4 Assistance in Obtaining the Participation of Women. Where women are relegated to an exclusive life separate from the general community, to assist in providing and training women specialists to work with women of villages, in their homes and in groups to improve methods of women's work in agriculture, practices of health and sanitation, homemaking and child care.

4.5 Assistance in Training Personnel. Such assistance may include developing or strengthening professional and/or sub-professional training facilities in the cooperating country or region or the provision of training grants for study in the United States or in another country.

5. Criteria for Evaluating Proposals and for Determining Priorities

5.1 The types of home and community services projects listed in paragraph 4 are all important activities which can make a major contribution to raising the standards of living in the cooperating country. The value of each one in a particular country program will depend primarily on the stage of development of the country. Countries in which tribal and family organization are still strong will not have need for social programs of the same type and scope as countries where economic and social development is more advanced. Since most of the cooperating countries are chiefly agricultural, importance should be placed on rural welfare programs designed both to improve the standard of living of the rural population and to reduce migration to the cities which causes increased social problems in the urban areas. Technical cooperation in urban social programs may also be extremely important to help to resolve social problems resulting from economic development.

5.2 Proposed programs should represent a community-wide approach to the particular social problem. As far as possible social welfare programs should be carried on in collaboration particularly with projects in the basic fields of agriculture, health and education in order to assure a coordinated approach.

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FOREIGN SERVICE
POINT 4
CIRCULAR NO. 20
AUGUST 13, 1952

SUBJECT: Program Guide for Point 4 Fishery Development

1. Purpose

This circular provides guidance to United States directors of technical cooperation and their staffs in considering an effective fisheries program and proposals for TCA projects in the exploration and development of fishery resources.

2. Introduction

2.1 Fisheries, whether latent or developed, are an important part of the food resources of the world. With millions of people suffering from a substandard diet, either deficient in amount or unbalanced for lack of proteins, latent fisheries should be developed, for the addition of only a small percentage of fish would contribute materially to human welfare. Point 4 cooperation will be directed toward improvement in fishing methods, the increase in yield, the modernization of processing and distribution of fishery products, and the integration of fisheries with other fields of economic development.

2.2 The fishery enterprise is highly diversified and complex - in source, technology, products, end uses, and business organization. Point 4 assistance will consist normally of furnishing the services of experts in various specialties to advise the local government, and the training of technicians and operatives in industrial and administrative functions. Point 4 assistance may include sufficient capital equipment to carry out a program of stimulating production, processing, or distribution.

2.3 Except in countries where fisheries are most primitive, several specialists or various types of equipment will be required, depending upon the particular circumstances which have hindered fishery development. What is needed should be discovered through critical field survey and analysis by fishery experts.

3. Criteria for Use in Screening and Assigning Priorities

3.1 The aim of fishery development projects is to improve the diet of the people by providing abundant and nutritious protein foods at a price the people can afford. This may be done in two ways:

(a) By encouraging pond culture of fish as an adjunct to farming or small-scale subsistence fisheries in streams and lakes.

(b) By directing and promoting the development of industrial sea fisheries, modernized and mechanized to as high a degree as the capabilities of the people and the state of local economy will permit.

3.2 Inland fisheries, either in natural waters or in farm ponds or irrigation impoundments, may be very productive. Acre for acre, fish ponds which are fertilized, cropped, and properly managed will produce more protein food than the best farm land. Since they can be developed and operated at low cost, country directors should not overlook opportunities to establish such projects under trained supervision. Screening of proposals requires only the application of the normal criteria of physical feasibility, economic desirability, and social need, evaluated in terms of the total resources available for the Point 4 program in the country and the relative importance of fishery projects as compared with projects in other fields.

3.3 Industrial sea fishery proposals for the establishment or improvement of industrial sea fisheries require close scrutiny to establish proper priority. For example:

(a) Can fish production be materially increased by simple improvements in fishing methods and equipment or must other improvements, such as harbors, ship yards, machine ships, ice making plants, and roads or railways precede fishery development?

(b) Does the market near fishing ports promise a widespread demand, and can the people buy, or must distant markets in larger inland cities be developed and refrigerated transportation be provided?

(c) Will the prospective marine fishery yield species suitable for use in home markets or are they better adapted to the luxury trade or the export market?

(d) In short, what are the factors that have prevented progress in the local fishing industry?

These and many other similar questions can only be answered by a survey conducted by skilled fishery specialists. A preliminary survey, however, will indicate the need and general opportunity for fishery development and aid in estimating priority.

314 The investment of Point 4 funds in costly equipment for demonstration such as large trawlers for production or for exploratory fishing, engines for mechanizing native craft, freezing and cold storage plants, canneries, and other components of modern mechanized fishery industries should only be made when preceding economic, social, and government development justifies it. A stable and efficient governmental fishery administration may assure continued progress in any project undertaken. In general, Point 4 funds should not be invested in fishery development where prospects of profitable operations are lacking. People must be able to buy fish; fishermen must be able to produce and market fish at a profit. Otherwise the enterprise is doomed to failure or to continuing dependence on permanent government subsidy.

4. Information for Support of Project Proposals

4.1 If it is obvious that sea-food production can be increased by simple additions to fishing equipment or improvements in techniques, a project may be submitted and justified without elaborate preliminary study. If a fishing industry is already established, a more elaborate factual report and analysis of current status and needs will usually be desirable. Such a report should include:

(a) Present status of vessels, equipment, technical development, methods, markets, production, and business organization

(b) Obstacles to fishery development and prospects of correction

(c) Prevention and treatment of delinquency growing out of family disorganization and urbanization;

(d) Rehabilitation of unproductive groups such as the handicapped and refugees resettling in new countries.

4.2 In appropriate instances, a preliminary survey by expert personnel, may be requested to secure the basic information and to assist in organizing a project proposal. Such personnel may be arranged by the Fish and Wildlife Service through TCA/Washington.

5. Trainees

5.1 Provision for an adequate number of trainees to carry on the work of fishery development during the period of operation of the fishery mission and continuously thereafter should

be made in the project proposal. These should be of two classes: (a) on-the-job trainees to assist mission personnel in the country, and (b) trainees to be sent to the United States or other countries. The latter usually should be chosen from among the former as being specially qualified for government or private technical work after receiving graduate professional training of university level. Trade school training for fishermen and industry superintendents and technicians is needed, and can best be obtained in countries other than the United States or by in-service apprenticeship

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TCA

Technical Cooperation Administration
Department of State

Mr. Young. Your reactions to this tentative set of goals will be appreciated. 1.7.7.

POINT 4 GOALS

1. Grow more food
2. Better animal husbandry
3. Fuel for cooking and heating
4. Better tools
5. Better land usage
6. Development of natural resources
7. Basic transportation
8. Safe water supply
9. Better health
10. Basic literacy

From country to country, and from one area to another within a country, the emphasis on one or another of these goals will vary. In an area or a country where one goal has been reached, no work may be advisable in that field. At the other extreme, conditions may be such that all efforts should be concentrated in only one of these fields.

Taking appropriate account of these differences, we should work to develop a balanced and integrated Point 4 Program on the basis of these major program goals.

Within the framework of these major goals, the over-all program should be built around people, rather than governments. Preference should be given to projects that provide results that will spread on the person-to-person level. Projects that depend for their success and continued effective life on the continuation of government staffing, especially when permanent, highly trained technical or professional employees would be required, would usually rate a lower priority. Emphasis should be placed on technical cooperation projects rather than on projects involving capital expenditures. Projects that affect many people over a wide area should ordinarily be preferred to projects that affect limited groups.

1. GROW MORE FOOD.

This goal calls for attention to methods of farming, methods of marketing, and methods of preservation and waste-prevention. Here are some ways in which American experience and research can be put to work, keeping in mind as always that first things must come first:

Hybrid corn boosts yields about 30 percent, on the average, in the United States. Recent extensive use of hybrid seed from America in Italy has shown similar impressive results. Where conditions of soil and climate are suitable, introduction of hybrids offers great possibilities in other countries.

Rust-resistant strains of cereal crops have increased our over-all yields and have prevented periodic crop failures. Farmers in many countries have lost crops to diseases without even knowing the cause. Resistant strains, raised with American seed, offer hope that recurring crop failures can be prevented in many other regions of the world, particularly of wheat and rice.

Grasses and legumes, for feed and for soil improvement, have become important crops in America. Disease is a problem with these crops, too, and we have developed resistant strains that hold promise for other countries. Many farmers, in the United States and elsewhere, have had experience with crops that "played out", without knowing the cause. Some years ago, when alfalfa began to "play out" in some sections, our scientists discovered that the reason was a type of wilt, a disease. They went back to the original home of alfalfa, in Turkey and Turkestan, and found some of the hardy wild relatives of this plant, which they used to develop wilt-resistant alfalfa. We have learned that forage crops profit from fertilization, as other crops do, and we can recognize the symptoms of mineral and other deficiencies. We know that the use of legumes in rotations, as cover crops, and as green manure crops will enrich the soil, increase yields, and help in other ways. This knowledge and these improved varieties deserve a trial in other lands.

Farm fish ponds have shown remarkable results under proper handling. An acre-sized pond, with simply the aid of fertilizer, can produce more good protein food than an acre of land. With some assistance in stocking and some instruction in pond farming, fish production may be one way of increasing food output in spectacular fashion in areas where this source has not been developed. Pond farming possibilities should be considered along with the development of water facilities wherever practicable.

Fertilizer and other soil-enriching measures have played a vital part in doubling American agricultural efficiency in the

past 50 years.

past 50 years. While many nations know of the need for the major elements of nitrogen, potash, and phosphorus, less is known of our work in the field of essential minor elements, such as cobalt, selenium, and manganese. Many areas of the world have cheap local sources of phosphates and lime which have never been put to extensive agricultural use -- a statement that could have been made about this country 20 years ago. The first and cheapest source of plant food is, of course, animal wastes, crop residues, and organic wastes and by-products of all kinds. Education is needed in the value and the methods of putting these materials back into the soil. The possibilities of commercial fertilizer deserve attention in areas where the expense is justified by the returns.

Insects, fungi, diseases, and rodents cause enormous losses of food, before and after harvest, in many parts of the world, including America, and any such losses that can be prevented add that much to the food supply. We have developed many chemicals to help control such destruction. Most of the world has heard of DDT, but our scientists have hundreds of other insecticides constantly under study which, alone or in combinations, are effective against many kinds of pests. We know other measures, such as using plant varieties with "built-in" resistance to insects and delayed wheat planting to combat the Hessian fly, which might be put to wider use in the world. Fumigation of stored grain, enclosure to keep out rodents, and other measures can help in the war on waste.

Safe storage of crops is almost as important as production. Cheap, easily constructed bins and other covered, enclosed storage should be considered wherever practicable, and possibly community and cooperative common storage if conditions are suitable. Protection from weather and pilferage, rodent-proofing and fumigation may offer means of saving substantial amounts of the harvest that are now lost. If more ambitious projects, such as elevators, cold storage houses, freezers, and the like are needed in relatively developed areas, possibilities for private capital investment and cooperative projects deserve study.

Marketing methods and facilities can stand improvement almost everywhere. Marketing must be developed as rapidly as the ability to produce surpluses over family needs is acquired. Cooperative methods should be explored, and the value of regional markets, central collection points, itinerant buyers, country storage facilities, standardized containers, market news reports, and all the other elements in the marketing system should be considered from the standpoint of need, adaptability, economy, and so on. There is great opportunity here for a combination of government aid, private capital, and cooperative action, with technical advice as a catalyst.

Community canning plants and community freezing plants are possibilities in areas that are sufficiently well-developed to

make good use

make good use of them. In many of our southern states, community food preservation centers give farmers and housewives an excellent opportunity for putting up large quantities of fruits, vegetables, and other foods under skilled supervision at low cost.

A system of credit is essential to agricultural development, and it may take many forms. Credit may be needed for acquiring farm ownership, for financing improvements and expansion, for launching cooperative projects, for tiding over disasters, and other purposes. Agricultural credit may be of the bankable type, based on good risk and ample collateral, and where such is not available, it certainly should be encouraged. However, many people who need credit badly to pull out of an economic morass are not good bank risks and do not have ample collateral. For them, credit alone might do no lasting good unless it is limited to the ability to pay and accompanied by an extension-type supervision and planning which promises that the farmer will actually improve his circumstances. This credit, similar to that offered by our Farmers Home Administration to American farmers, may have great possibilities where government or other public agencies are willing to undertake it and supervise it.

2. BETTER ANIMAL HUSBANDRY.

This goal offers an opportunity to draw on the whole of our vast storehouse of research results and experience that has enabled American farmers to make remarkable increases in production of meat, poultry, milk, eggs, and other animal products. Starting with the methods, the animals, and the conditions prevailing in many parts of the world -- especially where meat animals are sickly and the hens lay pigeon-size eggs -- we should be able to show how rapid progress can be made in animal husbandry even with a minimum of special training of local farmers.

Breeding stock may be needed as a base for building a better livestock industry. With due regard for climate, insects, and other conditions, better types and crosses that have been developed for special purposes in this country might be promising elsewhere. Artificial insemination is worth consideration, as is the importation of baby chicks, hatching eggs and foundation stock.

Feeding is a field with unusual possibilities. Egg production in the United States has increased 37 percent in the last 15 years. Five years ago it took 12 pounds of feed to produce a 3-pound broiler in 12 weeks. Today, the same 3-pound broiler can be produced in 10 weeks with 9 pounds of feed. Milk production has increased 20 percent per cow in 25 years. These results came partly from better breeds, partly from control of insects, but mostly from improved feeding, based on better knowledge of animal nutrition. Of particular interest, just in the past few years, are the remarkable results obtained from supplements of Vitamin B-12 and of the antibiotics, which have greatly increased the rate of gain

of chickens,

of chickens, hogs, and other animals. Some of this knowledge of feeding and nutrition, some of these feed supplements, some of our knowledge of pasture and range management, some of our experience with various kinds of silage, and so on can be put to work for other people, with promise of quick and worthwhile results.

Better utilization of cheap, abundant feed sources is a matter deserving constant attention. Vegetable by-products and refuse may offer possibilities for easy development into animal feed, as do the by-products of distilling, meat packing, brewing, milling, and other industries in this country. Small local feed mills may be good opportunities for employment of private and cooperative capital. Trench silos and similar inexpensive methods of keeping feed through winter months may hold promise.

Veterinary medicine is a field that needs development almost everywhere. Where skilled veterinarians are available, people may need to be shown the advantages of using their services -- particularly in cases where it will save money. Training of laymen in some of the simpler veterinary practices may be desirable where veterinarians are not readily accessible. Where a draft animal may represent a substantial part of a farmer's life savings, it is of the utmost importance that it be kept fit and its working life prolonged. If farmers are taught recognition of symptoms, antiseptic treatment of wounds, and such, it may prevent the loss of many animals. Extension of governmental veterinary services for testing and treatment might be advised.

Hog cholera causes the death of untold numbers of animals throughout the world every year. The disease has been brought under control in this country through the use of vaccines, and scientists say we are on the threshold of eliminating this dread killer entirely. Brucellosis -- and the undulant fever that humans may contract through drinking raw milk from a brucellosis-infected cow -- has been brought under control. The Asiatic Newcastle disease that wipes out poultry flocks has been dealt with successfully. Vaccines have been developed to help control foot-and-mouth and rinderpest. Such treatments can be put into use elsewhere to help eliminate some of the frightening loss of animals that undermines food supply in many areas.

Insect control is important in animal husbandry, too, because insects spread disease and sap the vitality of the animal. This special branch of the insect control problem deserves its own special attention.

Sanitation, like insect control, has its special application to animal husbandry, and we should demonstrate its economic importance as it affects livestock.

3. FUEL FOR

3. FUEL FOR COOKING AND HEATING

This goal calls for development of new and more dependable sources of fuel supply, not only to provide for better living, but to permit the use of animal and vegetable refuse (which is now used for fuel in many areas) to go into soil improvement and other uses where it is badly needed.

Quick-growing trees and other woody plants, such as grasses, offer fuel possibilities that should be studied for their potentialities. For example, eucalyptus is well adapted for many areas. The forester should keep an eye on rapidly developing research in this field. We have found, for instance, that hybrid populars in Maine yield four times as much wood as native populars, and a cross between eastern and western white pines is twice as tall as either parent at 7 years of age.

Forestation, with the special view of continuous cutting of firewood in mind, should be a part of the comprehensive plan, with suitable adaptation to local conditions. Both community and private forestry offer possibilities. All forestry work, whether for erosion control, watershed protection, or other purposes, should be developed with the view to sustained firewood production where fuel needs require it.

Management of farm woodlots and other timber sources, along the lines of selective cutting, fire prevention, and other good timber farming methods developed in this country should be taught and encouraged from the standpoint of increasing the fuel supply.

As rapidly as wood and other alternative fuel supplies can be developed, farmers should be shown the importance of using animal dung and other organic wastes, now being burned as fuel, to improve and enrich the soil.

4. BETTER TOOLS

This goal, like the others, calls for first things first. Improvements of existing tools should come before new and strange tools which require special skills and which might not be economical or efficient under the circumstances.

Where the one-hand sickle is in common use, the two-handed scythe will enable a man to do several times as much work. The short-handled hoe can be replaced with a good sharp, long-handled chopping hoe with similar results. In time, still more efficient tools might be needed, but graduation by easy stages is the best way to obtain acceptance and to build an incentive to try the next improvement. An effort to convert suddenly to complex equipment may be discouraging and thus defeat the purpose.

Any gadgeteer with some knowledge of modern mechanics can probably see where improvements can be made over some of the

relatively

relatively primitive tools in use by thousands of people today — not only in agricultural implements, but in the ordinary tools of carpentry, housekeeping, road construction, and the like. Many of the tools in use by people in underdeveloped regions are truly ingenious, but perhaps an alteration or two will make them vastly more efficient. Remember that it took several thousand years for us to progress from the sickle to the two-hand cradle, but it took only another century or so to develop the reaper.

Improvements in tools, such as the steel-pointed plow to take the place of the wooden stick-plow, offer excellent opportunities for local capital investment. Shown the advantages of such an improvement and shown where he can buy one for two or three dollars in his own money, almost any farmer is a potential customer — although for even that modest sum he may need some financing.

Demonstration of simple tools that have been developed to save many man-hours in manual occupations may give local manufacturers, local blacksmiths, and local businessmen ideas that can speed development. If new and better tools are worthwhile, ways must be pointed for making them locally if possible — preferably from inexpensive, readily available materials — or for financing their importation.

Keeping tools in repair and in good working condition is important, too. A man doesn't necessarily know that keeping a tool sharp makes it perform more efficiently unless someone has told him. Instruction and demonstration in tool maintenance is essential if newly-adopted implements are to hold their popularity and repair and maintenance should pose no problems that the tool user cannot solve.

5. BETTER LAND USAGE

Closely related to the problem of increasing food production is the goal of better land usage. In the political sense, this involves problems of land tenure. In the physical sense, it involves the treatment, use, conservation, and development of soil and water resources for maximum productivity over the years. We are concerned with land tenure matters primarily to the extent that we may be called upon to advise cooperating governments in dealing with the problem. In physical land usage, here are some of the ways that we may apply our assistance:

Primarily we are concerned with helping the individual farmer or small groups of farmers, adapt their operations to the land resources at their disposal, rather than with large-scale or theoretical plans — which may follow as the need develops. The local approach involves intimate knowledge of the farm and its

... soil,

soil, of the farmer, his resources, and his capacity. It involves working side by side with him in his fields, pointing out what should be done and why, helping him get started.

Irrigation and drainage may be needed to increase the acreage of arable land, to provide supplementary water supply where rain is undependable, and so on. Not only is the development of water sources of importance, but conservation and efficient use of the water may be equally necessary. Technical help, improved pumps and water lifters, tiles and pipe, and other materials and equipment may be needed, some of which offer opportunities for government aid, private capital and cooperative development. Community projects are discussed elsewhere, but the matter of water-development and water-handling on the farm require special attention, training, and demonstration.

Soil laboratories and simple testing kits may be needed. It might be desirable to instruct local leaders in the matter of testing soil for acidity, mineral deficiencies, and so on.

Conservation measures to prevent and control erosion are desperately needed in many parts of the world. Surveys may be needed for long-range plans, but immediate problems are readily apparent in many areas. Measures which have worked in this country should be considered for adaptation in others: cover crops, rotations, contour farming, windbreaks, terracing, reforestation, use of crop residues, development of ponds, and so on.

Pasture and range improvement, both on private land and on community or common range, should be considered as a special land-use objective where livestock is important. Education may be needed in control of over-grazing, fertilization, reseeding, pasture rotation, and the like. Preventing of grazing in forestry developments for fuel supply should be insisted upon where necessary.

Better land usage is essentially a matter of the skillful application of all our knowledge of plants, animals, soil, and water to the individual farm in the way that will benefit the farmer most over the period of years. It is a job that must be done farm by farm, and it requires the close and interested cooperation of the farmer. It is a long-range, rather than an immediate goal, but it should be a goal right from the start of the program. Inasmuch as results will not come as quickly and will not be as surprising as, say, the results from a disease-control program or a new well, faster progress might be achieved through first tackling problems that offer an opportunity for immediate results, as a means of creating confidence and interest.

6. DEVELOPMENT OF NATURAL RESOURCES

One of the greatest contributions which Point 4 can make to other countries is the extension to them of the high degree of technical competence in the fields of natural resources development which has been attained in the United States in recent years. In programming this type of aid, it is essential to recognize the background of the country to which technical assistance is offered since some countries are far more advanced in resource development than others.

Probably the most precious natural resources in any country are water and the soil. In the United States, during a period of more than 50 years, we have built up records and a knowledge of the water supplies available in our rivers and underground. It is on the basis of such knowledge that we are expanding our consumptive uses of water.

In few of the countries which technical assistance is being extended have extensive efforts been made to collect information on water sources needed for development of municipal water supplies, hydroelectric developments, irrigation and the preservation of fish and other wild life. Consequently, in many countries in our efforts to help program developments utilizing water supplies it will be necessary to ask: 1) Are basic data available and are such data reliable and of sufficient duration to reflect periods of devastating drouth as well as period of good rainfall? 2) Have adequate plans been prepared for proposed developments?

This approach to large scale expansion of water use is particularly essential in the exceedingly arid countries of the Middle East and South Asia. Developments accomplished during an unusually good year of rainfall may quickly fail in ensuing years of continuous drouth with resultant difficulties to the country which extended the original aid. On the other hand, in a country, such as India, where engineers experienced in water development have worked for many years, it may be found that the best type of technical assistance toward expansion of irrigation, hydroelectric power and municipal water supplies is in the form of expert technical advice on our present-day methods of structural design and construction. Programs for large expansions of irrigated land also require analysis of soil types and conditions to guarantee success in the venture.

We may conclude, therefore, that in assisting countries to program technical assistance in fiscal years 1952 and 1953 where major expansion in soil and water uses is contemplated, we may move rapidly and in full accordance with the aims of Point 4 if adequate basic data and plans are available. Where such data and plans are lacking, our aid should be limited to an orderly procedure of sound planning with a view to future expansion.

Also of equally great importance in the fields of natural resources is the development of both metallic and non-metallic mineral deposits. Requests made to date from the countries receiving Point 4 assistance are primarily for geologists, mining engineers and metallurgists for

exploration and

exploration and for assistance to small miners in improving their processing. The assistance granted to other countries in the fields of minerals' exploration was in the past and is presently planned to enable those countries to proceed from exploration to such stages of development that capital can be induced to undertake major exploitation of mineral deposits. In this field considerable attention can be given to the proviso of Public Law 165, 82nd Congress, that: "It is hereby declared to be the policy of Congress that this Act shall be administered in such a way as to eliminate the barriers to, and provide the incentives for, a steadily increased participation of free private enterprise in developing the resources of foreign countries."

Many countries are suffering today from critical shortages of fuels and building materials -- items highly essential to the health and welfare of the people. Exploration for and development of sources of fuel and development of such building materials as cement and timber should be an essential aim in a balanced Point 4 program.

In the fields of natural resources and contributing directly to the available food supply of other countries are the development of fish and wild life resources of those countries, and the management of range lands which may be under tribal and government ownership. Technical assistance is now being made available to several countries in efforts to expand commercial fisheries' developments, including development of refrigeration and transportation facilities. Land management specialists are available to assist the countries in planning more carefully their country-wide land surveys and for the development of range-management practices including stock water development.

7. BASIC TRANSPORTATION

Transportation needs should be studied to improve basic transportation for large areas and large numbers of people, in preference to more dramatic projects affecting fewer people. For example, a country-wide improvement of a net-work of trails would in most cases probably be preferable to investing the same money in a modern automobile highway serving a small area. Thought should be given to the possibility of improving the breeding stock and numbers of draught animals to increase their load-carrying capacity. In some areas the introduction of wheeled vehicles, even such simple things as wheelbarrows, should be studied.

Efforts to develop transportation on these simple levels should not preclude consideration of such undertakings as surveys and financial plans for highways and railroads, and assistance in developing air transport facilities.

8. SAFE WATER SUPPLY

Projects to provide a safe water supply may vary within wide limits. In a city, we might send in experts to help design and develop

a financial

a financial plan for a modern municipal water system. In one village, we might drill a well; in another village, we might show how a central well should be used -- drawing the water from a faucet in a tank, rather than dipping containers into the tank. In another area, we might show isolated families or groups how to treat contaminated water by boiling, filtering, etc. We might have to teach people the fact that they need safe water. In every area, however, regardless of the means used the objective should be the same -- Safe water.

9. BETTER HEALTH

Disease prevention and control is the most immediate key to better health. The instrument for its achievement can be the health center. Such a center is the hub of a public health wheel from which radiate such services as malaria, tuberculosis, venereal disease, leprosy, and quarantine control. In these centers may also be found such facilities as general sanitation, industrial hygiene, maternal-child health and nutrition, health education and laboratories to serve the immediate and urgent health needs of urban or rural peoples.

Health centers are the means of expanding medical technical know-how in all parts of the world. In so doing, they reduce the incidence of preventable diseases by initiating and maintaining controls over the environment. This is a means of spreading facilities and services which will check diseases and promote health. Doctors, sanitary engineers, nurses and other health workers sent abroad help promote through precept and example the practices which have been successful in reducing disease rates and increasing life expectancy.

Health education is the long range aspect of any good health center program. It aims at reaching all the population through a variety of communication media. The basic or fundamental purpose of health education, at any level, is to supplant poor health habits with better health practices. This is accomplished by instilling in individuals an understanding of good health principles. Such understanding would result in the improvement of standards of health.

Health centers should be the mainsprings of community health work. Through meetings and demonstration programs the work of the center should become an integral part of community life.

10. BASIC LITERACY

Illiteracy is a basic handicap to economic development in the underdeveloped areas of the world. Too many people lack the basic tool of learning -- the ability to read the printed word.

The United States, in virtually eliminating this handicap, has developed effective techniques for teaching reading -- especially at the

primary school

primary school level. The Point 4 program will make it possible for us to share those techniques with the underdeveloped countries.

This can be done through cooperative educational programs in the countries that need and request our aid. The fundamental education system of a country is its most important tool in combatting illiteracy. The effectiveness of that tool is determined by the quality and training of the teachers. The cooperative programs, therefore, will be centered on teacher training as the best way of realizing permanent improvement in the system, and thereby providing the most effective aid in the long-range war on illiteracy.

Our experience in the Latin American area has demonstrated that an excellent way of initiating sound cooperative programs in the field of education is through the rural teacher's workshops. After the cooperative program is set up in a country, the U.S. personnel, in close and continuous cooperation with the appropriate educational authorities, organize a series of workshops in fundamental education for selected rural teachers. The cooperative program will make it possible for these teachers to attend by providing housing and board for them in some central, and preferably rural, community. An essential part of the workshop will be the demonstration school, where the techniques discussed can be demonstrated and practiced.

Modern methods, devices and materials which have been developed in the U.S. and proved in practice throughout the world are taught and used in the workshops. Such teaching aids as flash cards, reading charts, controlled vocabulary stories and others will be used, and the teacher students will be taught not only how to use them, but also how to make them.

In the workshops, the teacher students are taught how to make the classroom attractive. The U.S. philosophy of education which places the child at the center of the process, and which requires his participation in the classroom activity demonstrated in action. The advantages of having the children work around tables are demonstrated, and the teacher students are taught how to make tables -- or whatever materials are available, adobe if necessary. They are taught how to make other classroom furniture, blackboards and reading charts, and how to get the children to participate in a learning situation. The workshops also develop functional reading materials related to the everyday problems of rural life -- simple agricultural science, hygiene, home life science and other practical subject matter.

Out of the teacher workshop experience there should be projected longer training courses for outstanding teacher students who are supervisor material. These courses should be planned in terms of one or two years. As the supervisors graduate, the cooperative program will be in position to provide guidance to the Ministries on the field

re-organization of

re-organization of the rural school system, so that the trained supervisors can be used effectively.

The teacher training centers will almost always become teacher training institutions -- usually under the technical supervision of the cooperative program. This is the goal of the Point 4 cooperative program in fundamental education: a corps of trained teachers and supervisors in an efficiently organized rural education system, permanently nourished by well trained rural teacher graduates of a modern teacher training institution.

Upon this foundation, it will be possible to project an effective adult education program which will in truth contribute to the long range task of eliminating illiteracy in the country.